

# **2004 FISCAL OUTLOOK AND STRATEGIC PLAN**

CITY OF MILWAUKEE

STATE OF WISCONSIN

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## TABLE OF CONTENTS

<b>Introduction.....</b>	<b>1</b>
<b>Fiscal Outlook and Strategies for the Future.....</b>	<b>5</b>
Intergovernmental Policy .....	6
Economic Conditions .....	8
Fiscal Forecast.....	15
Fiscal Management.....	16
<b>City of Milwaukee Strategic Plan.....</b>	<b>21</b>
Public Safety Summary and Findings.....	23
Public Safety Strategic Goal.....	25
Public Health Summary and Findings .....	27
Public Health Strategic Goal .....	29
Neighborhoods and Housing Summary and Findings.....	32
Neighborhoods and Housing Strategic Goal.....	34
Economic Activity Summary and Findings.....	37
Economic Activity Strategic Goal.....	39
Land Use and Transportation Summary and Findings.....	42
Land Use and Transportation Strategic Goal .....	44
Education Summary and Findings.....	46
Education Strategic Goal .....	48

# INTRODUCTION

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Like many local governments, Milwaukee faces a challenging future. This future requires policymakers to make critical decisions on service priorities. Clear priorities can only be established through a strategic framework that guides policy decisions based on long term strategic goals and objectives. This strategic framework is established in the city's Fiscal and Strategic Plans.

Since the first Strategic Plan was established in 1991, the city's core goals have been to:

- Improve public safety
- Protect public health
- Strengthen neighborhoods and housing
- Support economic development
- Improve land use and transportation
- Strengthen the quality of education
- Improve the quality and efficiency of service delivery

These goals represent the primary outcomes the city has worked to achieve in order to make Milwaukee a better place to live and work. They have guided the city's efforts, directed the allocation of resources, and informed policy decisions. While these goals are ambitious, much has been accomplished.

**Public Safety:** Residents, tourists, commuters, and other visitors recognize Milwaukee as a safe place to live, work, shop, and visit.

- The overall crime rate decreased 12.3% between 1995 and 2002.
- The violent crime rate decreased 12% between 1995 and 2002 and homicides were reduced from 168 in 1991 to 108 in 2002, a 36% decrease.
- The number of fires and hazardous emergencies decreased 22% between 1994 and 2002. Milwaukee has maintained a public structure fire incident rate lower than the national average since 1991.
- Fire deaths were dramatically reduced from 26 in 1990 to 6 in 2002, a 77% decrease.

The city has achieved these outcomes because it has added more police officers, implemented community oriented policing, and focused on quality of life enforcement. Neighborhood foot patrols and substations have increased police presence in the community. Fire prevention and education programs such as FOCUS, a door-to-door campaign by Fire Fighters to promote fire safety awareness and install smoke detectors; Elder Safe, an outreach program for the elderly that gives them information on fire safety, home safety, and evacuation; and "Survive Alive" have made Milwaukee a fire safe city.

**Public Health:** Milwaukee has improved the city's environmental health and the personal health of its citizens.

- The incidence of tuberculosis per 100,000 persons decreased from 6.69 in 1995 to 5.86 in 2002. The incidence of syphilis per 100,000 persons decreased from 26.11 in 1995 to 2.68 in 2002.
- The percentage of children with high levels of lead in their blood has decreased from 41.2% in 1995 to 15.2% in 2002.
- The percent of city residents with health insurance coverage increased from 85% in 1995 to 90% in 2002.
- Infant mortality in Milwaukee decreased from 13.1% in 1994 to 11.5% in 2001.

The city has focused on building coalitions to ensure the availability and continuity of health care. Improvements in the health care system have been championed through the Mayor's Task Force on Health Care Cost Containment and promotion of the BadgerCare, a health insurance program for low income working families with children who lack access to health insurance. Maternal and child health has been improved by immunizations, lead poisoning prevention, and teen pregnancy prevention. The city's Lead Abatement Program is recognized as the most aggressive and effective in the country. The Health Family/Healthy Infant Program proactively addresses infant mortality in

target areas by identifying high risk pregnancies, providing prevention counseling, and providing referral and follow-up services. Planning and preparation for public health care threats has been augmented through improved assessment and information systems, including a HazMed Medical Response System, and an upgraded Health Department laboratory.

**Neighborhoods and Housing:** By supporting strong, safe, and clean neighborhoods, the city has made Milwaukee a more attractive place to live.

- The overall assessed value of residential property has consistently increased since 1988.
- Owner occupancy for all housing units has increased. Almost 80% of all single family homes and duplexes are owner occupied.
- Household income has increased, with the percentage of households earning \$50,000 or more increasing from 13.6% in 1990 to 28.8% in 2000.
- The overall poverty rate decreased from 22.2% in 1990 to 21.3% in 2000, with poverty rates decreasing significantly for minority groups.
- Milwaukee's housing market has improved. Between 1990 and 2002, 5,340 new residential housing units were constructed, many in a revitalized downtown.

The city supports diverse housing choices and encourages homeownership. Projects such as CityHomes, Beer Line B, Lindsay Heights, and Cherokee Point have provided new quality residential developments across Milwaukee. Exterior maintenance of properties is supported through proactive code enforcement and compliance programs, in conjunction with loans and grants for housing rehabilitation and development. Neighborhood appearance has been supported through targeted graffiti, litter, trash, and nuisance abatement efforts, such as; CLEANS Sweep, a joint effort between several departments to coordinate multiple enforcement services in target areas and the Directed Special Pickups Program, a cooperative effort between neighborhood groups and the city to select special areas for intensive cleanup and enforcement services.

**Economic Activity:** Milwaukee has established a strong local economy within which the private sector can innovate, grow, and prosper.

- The equalized value of commercial and manufacturing properties in Milwaukee increased by 25.7% between 1990 and 2000.
- The number of jobs in Milwaukee increased by 21,500 or 8% between 1994 and 2001.
- Milwaukee's tax base has increased. Since 1995, the city's assessed value has increased by 17.1% in inflation adjusted dollars. Between 1990 and 2000, the city's equalized value has increased by 35.4%.

Policies and processes that contribute to economic development, such as permitting, zoning, and historic preservation have been made more efficient, consistent, and customer friendly. This includes creation of a user friendly Development Center that consolidates all planning, plan examination, and permitting operations into one central location. Grant funds have been used strategically to target specific needs, such as retail investment grants, which provide capital to commercial businesses locating or expanding in certain commercial revitalization areas, and façade improvement grants, which improve the image of properties through storefront improvements. Planning and support has been provided to commercial and industrial development, including making the process of cleaning contaminated sites more efficient. Grants and state tax credits have been utilized to strategically invest in brownfield remediation.

**Land Use and Transportation:** Milwaukee has developed a balanced land use and transportation policy.

- Travel time to work in Milwaukee is less than most cities of similar size.
- The Mayor has proposed a Marquette Interchange Affordable Improvement Reconstruction Plan that would reduce costs, speed reconstruction, and improve the interchange to meet Milwaukee's needs.

The city's transportation policies have encouraged pedestrian friendly development exemplified by well designed streetscapes and the Riverwalk

system. The city has also emphasized multi-modal transportation through support of mass transit and rail transportation, encouraging the use of bicycles for commuting and recreation, and enhancing the Port's function as a transportation center for the region. The Port is establishing a high speed passenger and vehicle service across Lake Michigan and to attract international passenger vessel services. The city has established a Bicycle Task Force and provided support for new bicycle paths, such as the Henry Aaron Trail. The city has also returned parallel parking to downtown streets, reduced the number of one-way streets, and improved traffic flow. The redesigned Sixth Street Viaduct uses an innovative design to link traffic to Canal Street and southside neighborhoods. The artificial barrier between the central business district and surrounding neighborhoods is eliminated through redevelopment of the Park East Corridor, which will encourage residential, office, retail, and entertainment development on 26 prime acres of land previously underutilized as an obsolescent node of an uncompleted freeway system.

**Education:** The city has fostered a positive educational environment that supports the educational needs of children, provides youth and adults with job skills and training, and empowers parents to make academic decisions that improve their children's education.

- Access to computer technology and resources has expanded, with hours of computer use by patrons at the public library increasing by 255% since 1996.
- The graduation rate for MPS students has increased from 50.2% in 1997 to 54.7% in 2001.
- The MPS dropout rate for students entering ninth grade has decreased from 41% in 1999 to 30% in 2002.

The city has strengthened its partnership with Milwaukee Public Schools through a shared services agreement, funding of capital improvements to schools, and support of truancy abatement efforts. The city has encouraged increased parental involvement in education by supporting school choice, charter schools, and neighborhood schools. The Neighborhood Schools Initiative restructures how schools serve children

by expanding neighborhood school operations, improving the connections with the surrounding community, and providing for greater parental participation. New schools, such as the Central City Cyberschool and the Lynde and Harry Bradley Technology and Trade School support high-tech learning. Technology education has also been supported through transforming the Center Street Library into a Community Outreach and Technology Center. The Milwaukee Public Library's central and neighborhood libraries provide free computer use and training, critical information for job seekers, and assistance in completing high school education or pursuing continuing education. The library system has been improved through the new Washington Park Library, the biggest and most advanced library with a fully wired technology center.

**Service Delivery:** Milwaukee city government delivers quality services at the lowest possible cost.

- Spending has been controlled, with the operating budget increasing less than inflation between 1988 and 2003. In inflation adjusted dollars, the operating budget is \$5 million less, and the tax levy \$17.9 million less, than in 1988.
- Milwaukee reduced city employees by 7.4%, from 10,040 in 1988 to 9,297 in 2003.
- The Milwaukee property tax rate has been reduced from \$13.09 in 1988 to \$10.15 in 2003, a decrease of 22.5%.

To reduce costs, the city has reassessed service levels, streamlined operations, eliminated unnecessary expenditures and consolidated departments. The focus has been on controlling municipal spending and reducing taxes, including supporting shared revenue and similar programs that provide aid to fiscally responsible municipalities.

**Charting the Course for Milwaukee's Future:** Today Milwaukee is a more attractive place to live, work, and play. Public safety and health have improved. The economy is growing. Neighborhoods are more vibrant and educational choices have been expanded. At the same time, the size and cost of municipal government has been reduced as the city has lowered the tax rate,

streamlined government, and improved essential services.

While much has been accomplished, much more needs to be done. Crime, while reduced, remains too high. Public health challenges, such as reducing racial disparities in health outcomes, persist. Educational outcomes must further improve. Although the economy continues to grow, many neighborhoods still face poverty, unemployment, and an aging housing stock. The transportation system remains narrowly focused on the automobile, and alternative modes of transportation need to be expanded. While quality commercial and residential developments have

improved the Milwaukee cityscape, it is essential that city government continue to promote urban design that emphasizes the public qualities of buildings and adds lasting value to the city's urban form.

City government has added value to the Milwaukee community by efficiently providing quality services. City efforts will continue to add value only if they are guided by strategic goals and objectives. To this end, the Fiscal and Strategic Plans which follow establish the vision for Milwaukee's future and chart the course for making this vision a reality.

## FISCAL OUTLOOK AND STRATEGIES FOR THE FUTURE

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Across the United States, cities at the urban core have been plagued by challenges similar to Milwaukee: suburban sprawl and population loss, aging infrastructure, poverty and crime, as well as mounting deficits at the state government level. In recent years, many cities have confronted fiscal stress, in that one or more key elements of their finances failed to meet expectations. Some cities struggle with external threats like unstable state aid, high unemployment, and a growing crime rate. Others struggle with internal weaknesses like a heavy debt and oversized workforces. While many cities strive to overcome seemingly insurmountable problems, Milwaukee continues to prosper in the face of this adversity.

Rather than “reacting” to problems confronting Milwaukee, city policymakers have chosen to take a proactive approach to shaping its future. This effort is reflected in its fiscal and strategic planning initiatives. These initiatives anticipate and prepare for change, allowing the city to make informed decisions based on sound forecasts and a solid understanding of current and upcoming challenges. By developing a plan for the future, Milwaukee can minimize adverse impacts and transform threats into opportunities.

Milwaukee’s fundamental fiscal planning goal is to work towards a “structural balance” – a long term balance between the anticipated expenditures and revenues that form the city’s fiscal foundation. While challenging, achieving this balance should result in fiscal stability, enabling the city to effectively respond to an ever changing fiscal environment. Strong economic forecasting, constant evaluation of key economic indicators, and awareness of and adjustment to the external environment in which the city operates are essential to the city’s success and is a useful way to measure the city’s fiscal health. This approach allows city policymakers to focus on strategies to positively impact factors outside of its direct control.

Milwaukee’s greatest assets are its internal strengths, the things within its direct control. Through sound fiscal planning, the city has been able to limit its debt burden, cost effectively fund

capital improvements, properly support its retirement accounts, and continue to provide quality service levels at a reasonable cost to the taxpayers. At the same time, the city has been able to significantly reduce the tax rate over the past 15 years.

Developing a systematic and disciplined method to ensure a structural balance is the primary fiscal policy issue facing the city. Major strategies for achieving this fiscal health include:

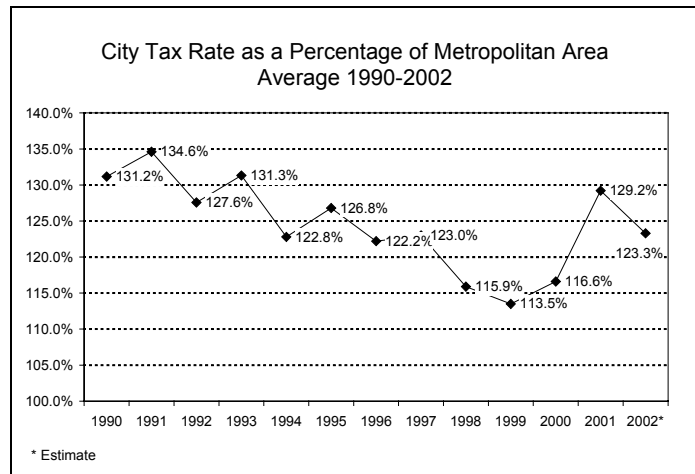
1. **Stabilizing and Enhancing the City’s Tax Base:** Stabilizing the city’s existing tax base should remain a priority for city policymakers to ease fiscal stress. When the city is able to enhance growth in its tax base, the property tax burden is lessened for its citizens.
2. **Continuing the Trend Toward Revenue Diversification:** The city has worked in recent years to determine the appropriate method of charging for particular services so that those who benefit pay for the services received. Implementing user-based fees, like the sewer fee and solid waste fee, eliminates the property tax subsidy of services by charging them directly to those who benefit. Additionally, this approach reduces the reliance on other major revenue sources like shared revenue.
3. **Encouraging Policies that Help Raise the Incomes of Milwaukee’s Citizens:** Cities are healthy when their citizens are able to earn an income that provides fiscal stability. Rising incomes in Milwaukee will encourage continued investment in the community, thereby strengthening the city and making it a more attractive place to live, work, and visit.
4. **Maximizing Citizens’ Return on Their Tax Dollars by Making City Services More Efficient:** The city must promote the public health and safety of its citizens by ensuring that residents and businesses obtain high value from and pay a fair cost for services the city delivers. The city must also create a strong business environment where Milwaukee’s private sector can innovate, grow, and prosper. A strong

business environment ensures that the city can focus on controlling spending and leave government out of the way of private markets.

Starting in the 1980's, Milwaukee has been measuring the success of its fiscal efforts by comparing its tax rate to those of its metropolitan counterparts. Since 1990, the city has been able to move toward its goal of reducing its tax rate to 120% of the metropolitan area average (see Figure 1). Meeting this goal will continue to be a challenge, as it directly relates to the city's ability to control expenses and increase its tax base as suburban development continues.

Milwaukee's finances are like a complex machine; a multitude of interdependent moving parts play a role in the overall health of the city. Some components fall within the scope of a city's control and some are driven by the external environment in which the city operates. When one component under-performs, it can place stress on the entire system. Not only does the external environment play a role in the city's fiscal health but city policy decisions can impact the local, regional, and state economy. At times and with adequate resources, Milwaukee can positively impact a component of the

Figure 1



external environment to improve the future impact of its performance on the city's finances.

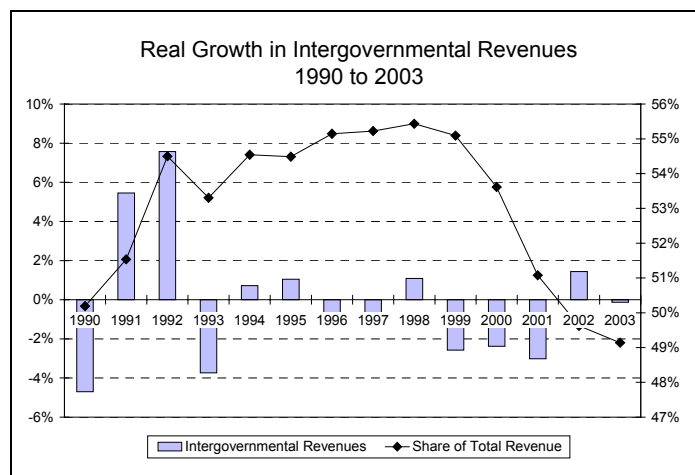
This fiscal planning document provides the backbone of the city's strategic planning process and the basis for deliberations on the annual budget. After identifying the critical fiscal issues facing Milwaukee, it describes how these issues impact the city's fiscal health and outlines how city government is responding to these issues in order to strengthen Milwaukee's fiscal foundation.

## INTERGOVERNMENTAL POLICY

Intergovernmental revenues account for over 58% of general fund revenues in the 2003 budget. Additionally, the city anticipates over \$80 million in grant and aid funds, much of which comes from various state and federal programs. This proportion of funding from other governments demonstrates the importance of intergovernmental policy decisions on city finances. Over the past ten years, the city has seen a stagnant if not declining growth in intergovernmental revenues (see Figure 2). This trend places increasing pressure on the tax levy and fees to adequately fund city services.

**Federal Policy:** Policy decisions at the national level can have a variety of impacts on the financial health of a city. Federal mandates such as the American's With Disabilities Act can greatly increase city expenses. Fluctuations in funding for health and human services can result in instability

Figure 2



in Health Department grant funding. Federal income tax levels and welfare policies impact the financial health of Milwaukee residents.



City policymakers must keep a close watch on the actions taken by their federal counterparts for local impacts. The city should work with other large central cities to discourage federal policies that place an undue or unfunded burden on local governments. A recent example is the requirements of the Children's Internet Protection Act (CIPA) which requires expenditures for purchase and installation of Internet filters in libraries as a condition of qualification for federal aid.

Likewise, Milwaukee's federal representatives should be made aware of the impacts of pending legislation on local finances and the economy. The city should make use of its network of legislators and lobbyists to improve its financial resources and those of its citizens. When harmful legislation is approved, the city will need to recognize and plan for its financial ramifications.

**State Policy:** As creatures of state government, municipalities are simultaneously beholden to state policy and finances and to the local interests that strive for autonomy and independence through local control. Similar to federal policy, the health and distribution of the State of Wisconsin finances impacts the City of Milwaukee. Whether through general or categorical aids or through grant funds and initiatives, the distribution of state finances and decisions of state policymakers have a tremendous impact on the fiscal health of cities.

**State Shared Revenue Program:** The State Shared Revenue Program was established at the same time as the State Income Tax in 1911. At 42% in the 2003 budget, the program is Milwaukee's single largest source of general purpose revenue. The program has three policy goals:

- Property tax relief;
- Equalization of revenue raising ability among local governments (level the playing field between wealthy and poorer communities); and
- Compensate local governments for services provided to certain types of tax exempt property.

State funding for this local government revenue source was frozen from 1995 to 2001, with no increase even for inflation. In the 2002-2003 State

Budget, the state increased funding for shared revenue by 1%. The stagnation of the city's most important revenue source has exacerbated the challenge of an increasing structural revenue expenditure gap.

Recent financial hardships at the state level (in the form of a multi-billion dollar deficit) have prompted state officials and legislators to reevaluate the relationship between state and local government finances. This process has left Milwaukee and other local governments in Wisconsin with a sense of future uncertainty. The lack of local control over the distribution of these funds creates a fundamental challenge to fiscal planning for local governments statewide.

**Expenditure Restraint Payment:** In addition to the budgetary constraint created by the persistent freeze on shared revenue payments, the state also implemented the Expenditure Restraint Program (ERP) in 1990. This program rewards cities that limit their spending growth according to a formula based on inflation and property value.

Despite wage rates and health insurance costs increasing at rates much higher than inflation, Milwaukee has been able to qualify for ERP in every year since it was enacted. Since wages and benefits consume about 83% of the city's budget, meeting this standard becomes increasingly difficult with each passing year. Planning for recent budgets has been even more difficult in the face of the national economy, which has seen inflationary increases lower than 2% further limiting the ERP growth factor.

**Other State Programs:** Milwaukee directly benefits from a variety of other state programs that either provide guaranteed financial assistance or are competitive based on demonstrated need. Examples include the General Transportation Aids Program, with a distribution derived from miles of local roads and local expenditure levels, and the Brownfields Initiative, a competitive grant program providing grants for site specific environmental remediation projects. These programs provide needed funding sources for programs that would be otherwise difficult to finance.

## ECONOMIC CONDITIONS

**National Economy:** In the spring of 2001, the United States experienced the start of its first recession in more than a decade. It has been nearly impossible to determine if the country has recovered from the recession. This recession has lasted beyond forecasts, but shows signs of recovery as well as signs of continuing. The U.S. Gross Domestic Product (GDP) grew at real rates between 3.8% and 4.4% during 1997 to 2000. Growth slowed to 0.3% in 2001 and 3.6% in 2002. The forecast for 2003 is that the economy will expand at a rate of 2.4%.

National employment reflected the GDP change between 1997 and 2000 with the creation of nearly eight million jobs. With the exception of the mining industry, employment grew in each sector of the economy. The greatest increase was seen in the service sector, with the manufacturing sector showing minimal change.

To understand the relevance of this national level analysis, it is useful to explore how Milwaukee fared during the expansionary and recession periods experienced by the U.S. The local economy plays a major role in the fiscal health of the city. As the economy improves, so does the ability of the city to procure development, businesses, and job opportunities. Resident employment and income levels also provide a meaningful measure of ability to pay for property taxes and services, as well as signifying the level and type of city services that should be provided.

**Local Economy:** Since 1995, the city has forecasted the local economy. Typically, this type of forecasting is not performed at the local level; local economy analysis relies upon labor market and job trend analysis. Unfortunately, employment trends do not necessarily reflect economic output. A prime example is the manufacturing sector where employment has historically decreased, while output increased due to improved technology.

**Employment:** Employment in Milwaukee has shown slow but steady growth. Most years indicate growth of less than 1%. Like other Midwestern cities, Milwaukee has experienced declining manufacturing employment. For Milwaukee, manufacturing sector employment has declined at a rate of

Figure 3

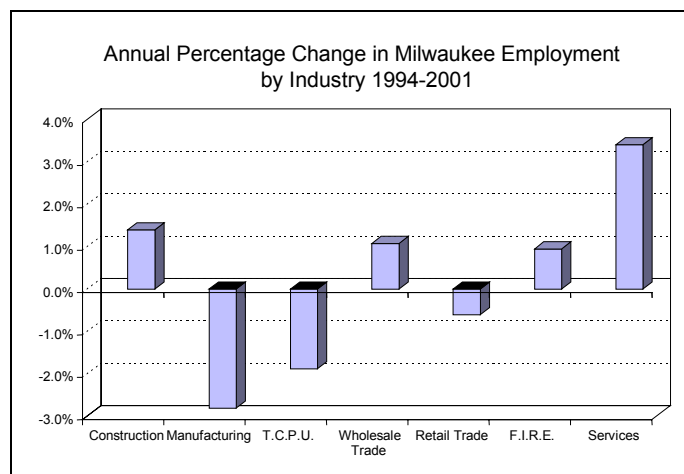
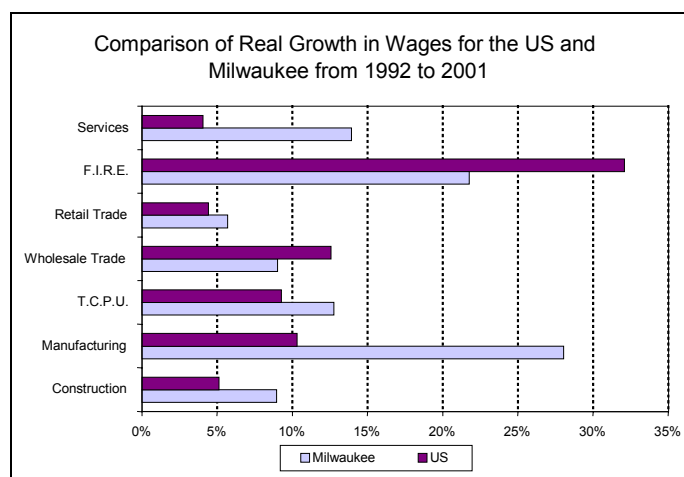


Figure 4



2.8% annually since 1994 (see Figure 3). Conversely, service sector employment continues to grow at a rate that more than offsets the decrease in the manufacturing sector.

From an employment standpoint, it appears that Milwaukee's economy began to slow in 2000. Total employment increased by 0.5% between 1999 and 2000 and decreased by 1.4% between 2000 and 2001. For 2003, employment should grow by 1.6% and by 2004 it will grow 0.9%.

Although there has been slow growth in employment, looking at a more detailed breakdown indicates some significant increases in jobs normally associated with high-tech industries. For example, computer and data related jobs grew 21.0% between the first quarter of 1999 and the first quarter

of 2002. The business services category as a whole grew by 5.6% over that same period. This is consistent with the city's goal of attracting well paying jobs to the area. Given the disproportionate number of poor in Milwaukee, it is important to also retain high paying, low-skill level manufacturing positions.

**Wages and Occupations:** Although it is more desirable to experience a larger increase in annual employment, there exists a meaningful transition from manufacturing employment to service employment with limited impacts to wages. As mentioned, increases in computer related employment indicates a healthy movement into relatively high paying service sector employment.

As shown in Figure 4, wage growth in the service and manufacturing sectors for Milwaukee has outpaced the national growth. At the same time, transportation, communication, and public utility wage growth has lagged behind the U.S.

The average manufacturing job earns \$46,925 annually while the service sector earns \$34,035. After many years of trailing the U.S., in 2001 the average service sector wages in Milwaukee are slightly higher than the U.S. average. This is important given the shift of employment from manufacturing to service.

Specific sector occupational data confirm that numerous service jobs have relatively high wages. Although the overall average wage for manufacturing is higher than the service sector, there are extreme variations in the wages for service jobs (see Figure 5). Service occupation wages range from over \$140,000 for the average surgeon to approximately \$12,000 for a ticket taker. Manufacturing on the other hand ranged from around \$60,000 for plumbers and \$25,000 for assemblers.

**Gross City Product:** Increasing employment, wage growth, and the attraction of industries with high paying jobs work to stimulate the local economy. These factors lead to greater output and/or greater income.

Challenging the city is high unemployment, per capita income lower than the state average, and a lower than average number of high school and college graduates that negatively impact the economy.

Figure 5

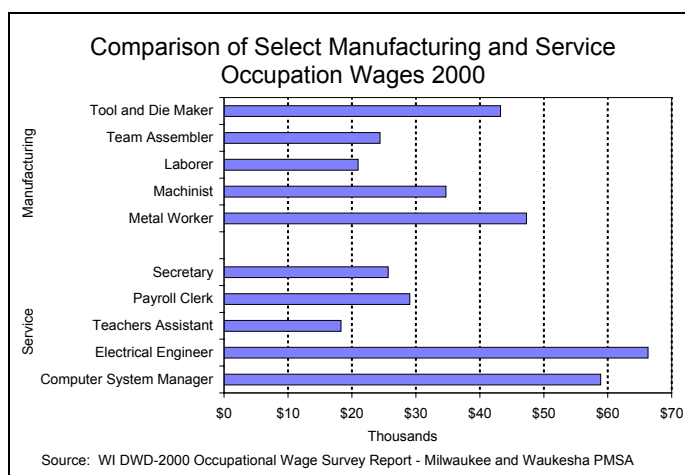
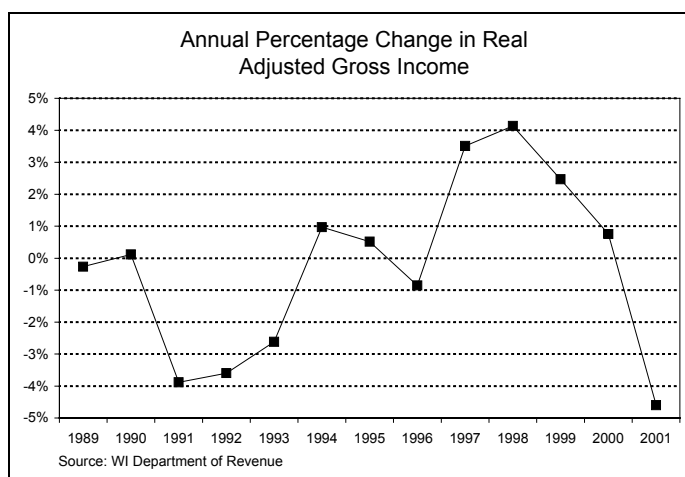


Figure 6



Nevertheless, until 2000 the city had seen real growth in adjusted gross income reported to the state (see Figure 6). Unfortunately, unemployment grew to 9.6% in 2002 and adjusted gross income fell by 4.6% in 2001 as the recession hit the city.

Output estimates for the Milwaukee economy were generated using procedures outlined by Mathew Drennan for his simulation of the New York City economy.<sup>1</sup> In its simplest form, the model Drennan developed uses the value added per employee (VAPE) at the national level which is then multiplied by the local employment level. The premise is that productivity at the national level is equal to local productivity. Forecasts of productivity or the

<sup>1</sup> Drennan Modeling Metropolitan Economies for Forecasting and Policy Analysis, (New York: New York University Press, 1985), particularly pp. 9-28.

VAPE and local employment provide the forecast for local economic output.

Increasing income and employment have translated into a growing local economy. In fact, when one compares the growth in the national economy to the local economy from 1995 to 2001, the city economic growth is very similar to the rest of the nation. This growth comparison is illustrated in Figure 7. Unfortunately, it appears that the city experienced the current recession slightly ahead of the rest of the nation. This is represented in the declining employment and economic growth that is considerably less than the national growth in 2000.

Given the city's entrance into the recession sooner than the rest of the Nation, it is not clear when the city will emerge from the recession. At this time, it appears that the city is on the same growth track as the rest of the economy. In 2003, growth is expected to continue at a lower rate locally than elsewhere.

**Unemployment and Population:** As mentioned above, local unemployment in 2002 was 9.6%. With a state unemployment rate of 5.5% and regional unemployment at 6.0%, there is an obvious disparity between the city and the rest of the state. Local employment is increasing while unemployment is growing.

Figure 8 illustrates Milwaukee's unemployment rate since 1991. The city experienced relatively low unemployment from 1991 to 1999. Unemployment grew in 2000 and it continued to grow until June of 2002 where it hit a high of 10.5%. Forecasts indicate that unemployment has reached its peak and should continue to fall. Unfortunately, by April of 2003 unemployment for the city still was 9.5%.

Milwaukee's labor force grew from 262,650 in 1999 to 273,909 in 2002. This increase is nearly equivalent to the increase in the number of unemployed. Therefore, the growth in Milwaukee's unemployment is caused by an increase in the labor force. We can conclude that a higher percentage of the population has entered the labor market since population is declining and the labor force is increasing. In terms of the U.S. census, the population fell nearly 40,000 from 1990 to 2000.

Figure 7

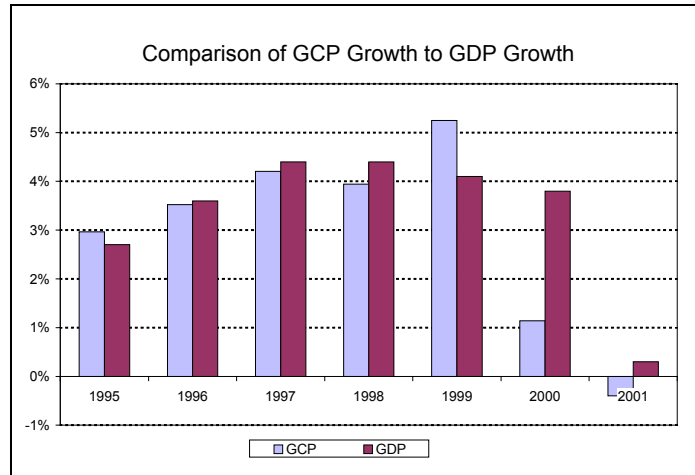


Figure 8

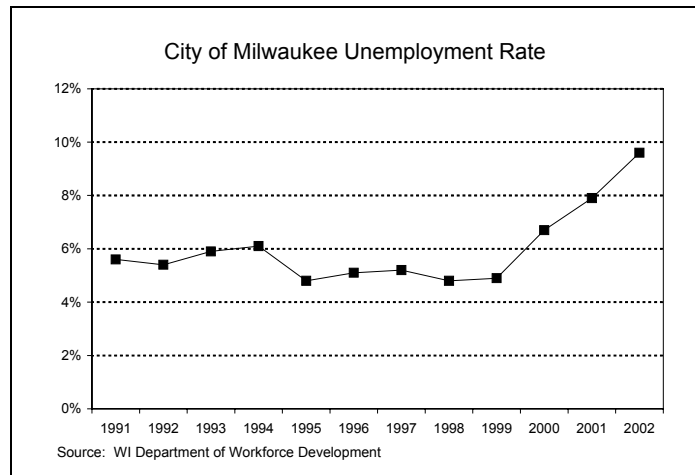
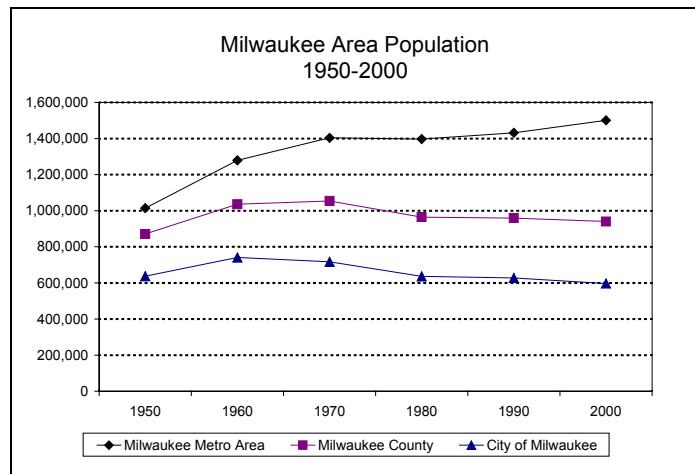


Figure 9



The city's population is also decreasing as a percentage of the entire metropolitan area (see Figure 9).

**Labor Supply and Condition:** During the week of October 21, 2002 an estimated 15,305<sup>2</sup> full and part time jobs were open in the Milwaukee metropolitan area. There were 43% of full time openings in the service sector, 18% in finance, insurance and real estate and 17% in the wholesale and retail trade. This level of job openings was the lowest since this survey started in October, 1993. Milwaukee County job openings totaled 8,617 while 28,789 unemployed individuals were actively seeking employment during the same time period. Job seekers exceeded available jobs by more than 20,000.

According to the data, it should be possible for the city to cut the unemployment rate by 30% simply by filling the vacant positions with the unemployed. However, individuals seeking employment do not always have qualifications that meet the needs of vacant positions. High-tech employment and positions in the health care industry normally require a higher education that many city job seekers are lacking.

Employment demand remains strong in the health care and construction industries. Many of the job openings are nurses, engineers, and teachers. Each of these professions requires highly trained individuals. In fact, only 13% of the full time job openings were entry level jobs with no education or experience required. Two-thirds of these positions were located outside the City of Milwaukee, further reducing the supply of labor for residents lacking transportation.

While the city itself does not have enough available employment, many businesses that have chosen to locate in the outlying metropolitan area have vacant positions requiring low skill levels. This spatial mismatch of available jobs and available labor force is frustrated by a lack of adequate mass transportation between the city and suburbs and a lack of affordable housing outside the city.

<sup>2</sup> Private Industry Council Survey of Job Openings in the Milwaukee Metropolitan Area: Week of October 21, 2002. UWM-Employment and Training Institute.

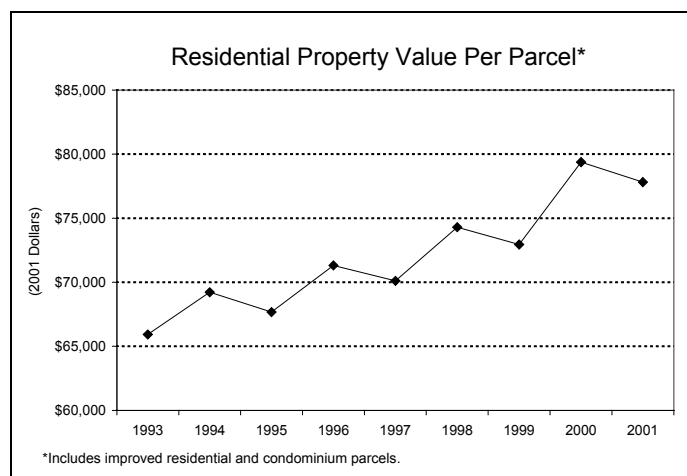
**Central City Economic Condition:** The Milwaukee Neighborhood Indicator Project was initiated in 1998 by the UWM Employment and Training Institute, Helen Bader Foundation, and the Greater Milwaukee Foundation to track the well being of central city families. The research is done on a zip code basis.

According to 2001 indicators, the number of working families rose 16% from 1993 to 2000, violent crimes in the central city are down 43%, and homeownership rates have remained stable. The number of families receiving medical assistance is down slightly. Unfortunately, 57% of central city men have currently or recently suspended driver licenses. Overall, the central city is improving. Incomes are rising and federal and state programs are effectively placing dollars in the hands of the poor.

Another interesting look at the central city is in the Milwaukee's Purchasing Power Profiles that was prepared in June, 2001 by the UWM Employment and Training Institute for the Milwaukee Department of City Development with funding from the Helen Bader Foundation. The profiles found that many of the central areas of Milwaukee contained greater amounts of income per mile than most of the surrounding suburbs.

Businesses that once thought the central city to be a poor business location due to past marketing representation are now looking at this area as a viable market. For example, zip code 53205 has an estimated retail spending of \$22.2 million per square mile. This surpasses many suburbs like Franklin

Figure 10





(\$4.5 million), Oak Creek (\$5.4 million), Hales Corners (\$15.4 million) and Greendale (\$17.3 million). Once businesses locate in the central city, the spin-off is new jobs to an area that has high levels of unemployment.

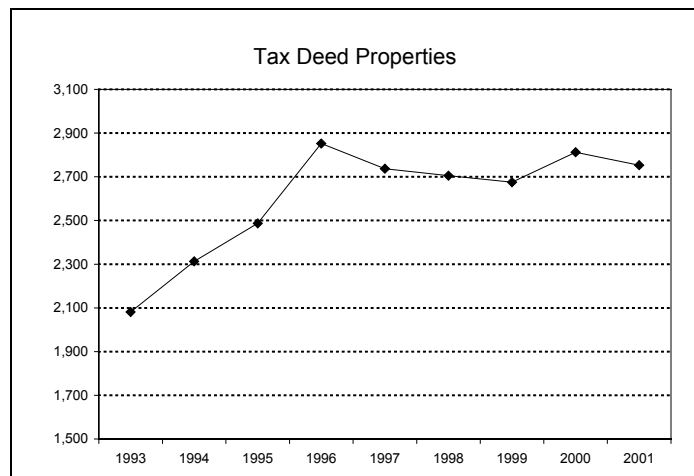
**Housing Stock:** Milwaukee's residential assessed value of improved parcels has increased by over 17% in real dollars since 1993. As Figure 10 depicts, residential property value per parcel has also increased by over 18% in real dollar terms, from about \$66,000 in 1993 to \$77,817 in 2001. This increase in residential property value per parcel indicates that today's housing stock is of better quality than ten years ago due to policies designed to encourage investment in Milwaukee's neighborhoods.

According to the 2000 census, Milwaukee has an estimated 249,000 housing units. In 2001, the number of assessable improved residential and condominium parcels totaled 132,866, a slight decrease from the 1993 level of 133,648. The number of condominium parcels has increased by over 10% from 6,506 in 1993 to 7,194 in 2001.

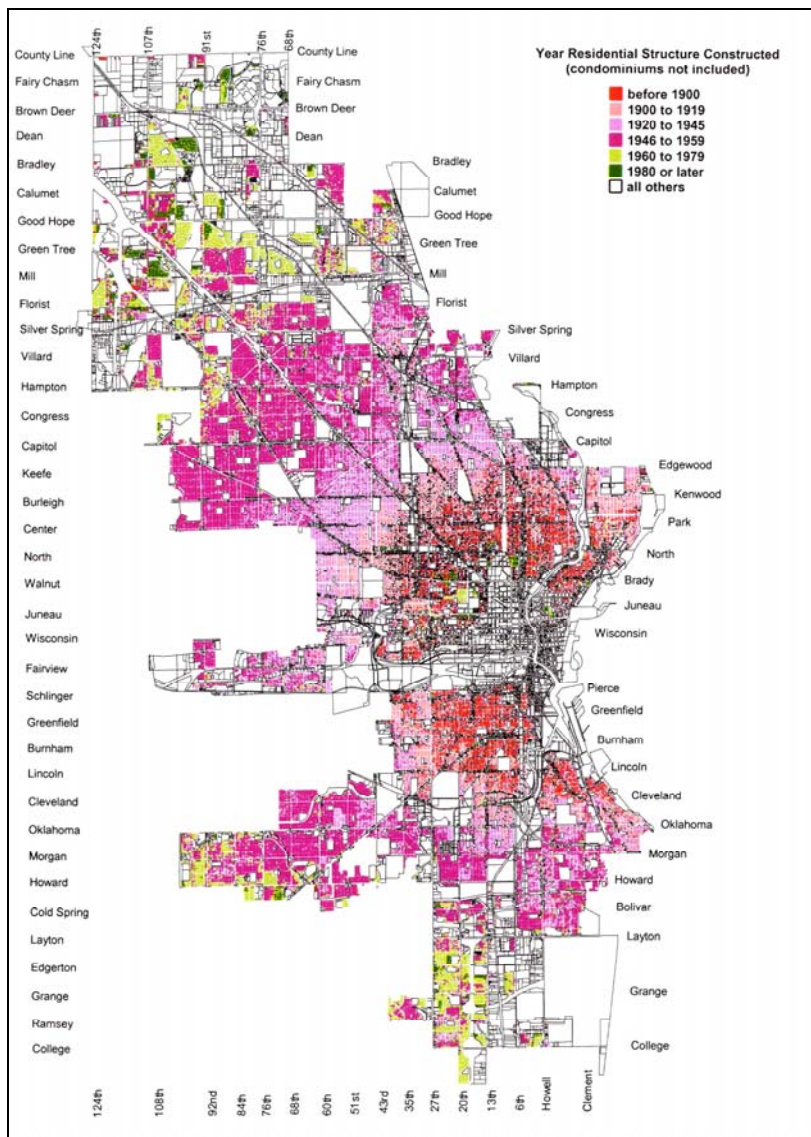
About 3,160 new housing units have been constructed in the City of Milwaukee since 1993. Thirty percent of these, or 735 units, are single family homes with the remaining units in multi-family developments. Recent condominium construction in the downtown and adjacent areas has contributed significantly to the numbers of new units in the past few years. A slight increase in the construction of single family homes is also evident in recent years. One of the primary constraints to large scale new housing construction is the lack of large concentrations of vacant residential parcels in the city. This obstacle makes redevelopment and building maintenance efforts in the central city an essential component to the upgrade of Milwaukee's housing stock.

A couple of trends offset the presence of new housing construction. The first

Figure 11



Map 1



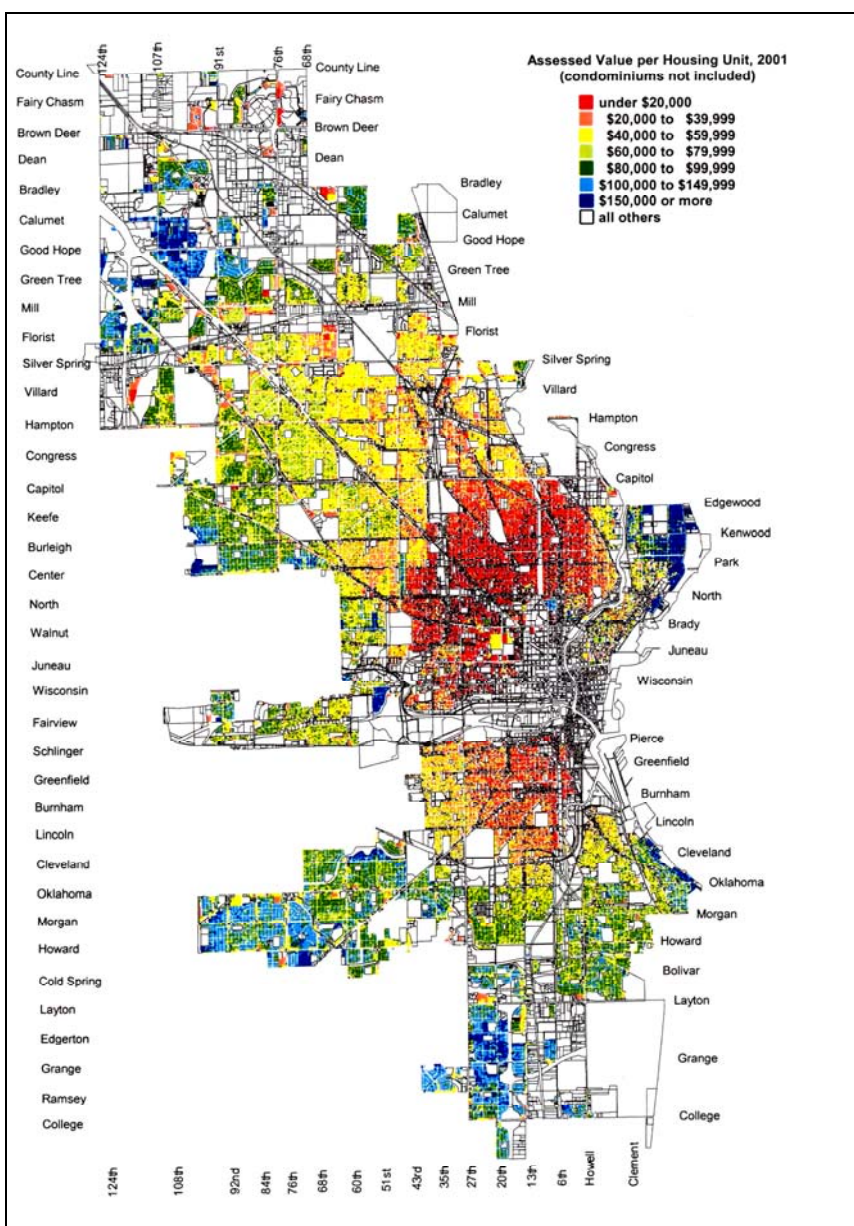
is the ongoing need to demolish unsafe, fire damaged or uninhabitable properties in the city. Since 1997, about 1,150 unsafe housing units have been demolished through the city's Condemnation and Demolition Program. Secondly, the number of tax deed properties has significantly increased from 2,081 in 1993 to 2,753 in 2001 (see Figure 11). For these reasons, the number of improved residential parcels has not increased to the extent of total number of new units constructed since 1993.

Both of these trends decrease the amount of assessable property in the city. However, the number of housing units razed and tax deed properties has been declining since 1997. As the city continues efforts to improve the housing options available to its residents, many of these vacant parcels will be used to foster infill development and new construction in targeted neighborhoods.

As illustrated in Map 1, the circular pattern of development outward from the downtown area is evident in the rings of age around the city. The median age of Milwaukee's housing stock is about 64 years, meaning approximately half were built before 1940. The central city is home to the oldest portions of the housing stock, with much of it dating back to earlier than 1920.

Similarly, the range of assessed values in the central city falls predominantly below \$40,000 and is mostly investor owned. About 80% of the city's single family and duplex buildings are owner occupied, with this rate tending to be lower among duplexes particularly in the central city areas. The age and occupancy of the city's housing stock present many challenges for investors; however the housing market in areas like Brewer's Hill, and

Map 2



Lindsay Heights indicate that city efforts to increase private investment have succeeded.

**Commercial and Industrial Development:** In addition to the improving trends seen in our housing stock, the city has been able to garner new development and redevelopment over the past decade. These efforts have resulted in 29,000 jobs created and over 12,000 jobs retained in the city. These accomplishments help to reduce the unemployment rate, increase the city's tax base, and increase residents' ability to pay for needed services.

**Property Tax Base:** These advances in the housing market and commercial and industrial development have paid off and are reflected by an increasing property tax base. In 2003, the city's assessed value rose by 12.3%. The city's assessed value is that on which the property tax rate is based. When tax bases shrink, governments and the services they provide must also shrink, unless tax rates increase. When tax bases increase, cities have more choices in their operations and can therefore change operations based on such items as performance and efficiency.

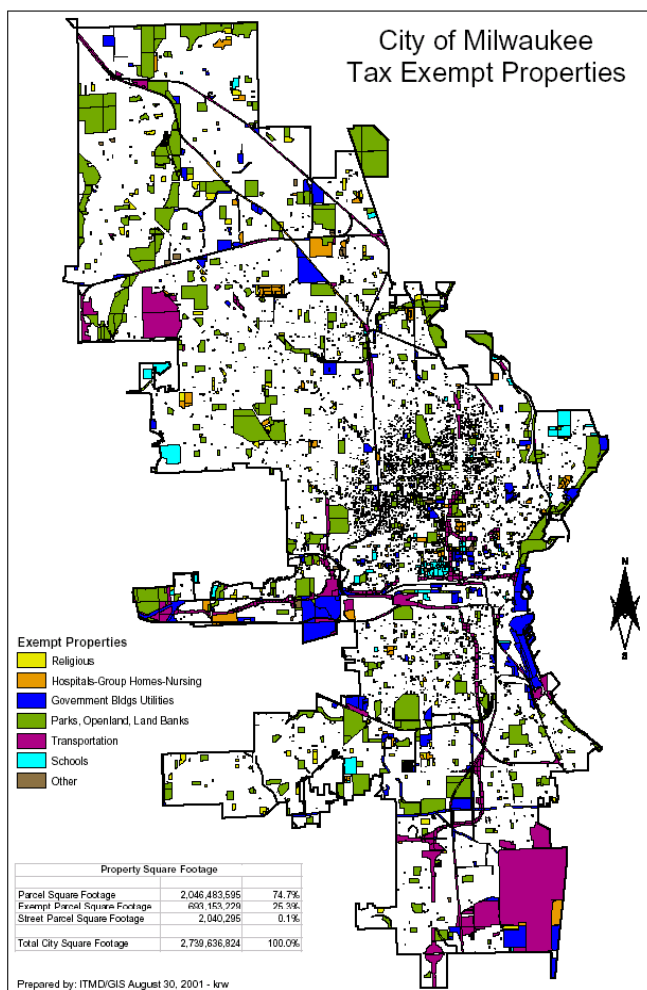
Milwaukee's recent value growth is a tribute to the city's efforts to make Milwaukee a better place to live. However, more needs to be done. As seen in Map 2, there remains disparity in residential values, which also affects the city's property tax base. Lower values are concentrated in the city's central city. As stated previously, the central city is improving but efforts towards improving quality of life are still necessary.

While there has been recent growth in values in the city overall, approximately one-third of the city's properties are tax exempt (see Map 3). In 2001, approximately 25% of the city's area were tax exempt property. By nature, central cities bear the burden of the majority of tax exempt properties in a metropolitan region because of their central location for large transportation infrastructure, hospitals, churches, and non-profit organizations. City taxpayers subsidize these properties by paying higher taxes to fund these exemptions.

Proliferation of tax exemptions and the resulting growth in the proportion of exempt property forces a shrinking number of city taxpayers to pay higher taxes to subsidize city services for owners of exempt properties. Most recently, Wisconsin has enacted a personal property tax exemption for computers and special use valuations (such as agricultural use value) for farmlands. Special treatment of narrow classes of properties decreases the tax base, increases the tax rate, and shifts taxes to homeowners.

In recent years, the city has moved towards revenue diversification. Charging user-based fees for some city services shifts payment to those directly bene-

Map 3



fitting from the service. In such cases, when tax exempt properties utilize a service, like garbage collection, they pay, thus eliminating their previous taxpayer subsidy. This approach also reduces city reliance on the property tax and intergovernmental aid in times of fiscal uncertainty.

Cities in Wisconsin are limited in their ability to collect revenues from their citizens; they are unable to collect significant revenues from any source other than the property tax. Cities in many other states have more flexibility in available revenue sources. Because of this constraint, Milwaukee is dependent on taxable property value. This constraint makes it vitally important to strengthen the city's tax base for future tax collection purposes.



## FISCAL FORECAST

In the early 1990's, the City of Milwaukee developed a five year budget forecast. In developing the forecast for the years 2004 to 2008 the following assumptions were made:

- Constant tax rate;
- Assessed value increase of 4% annually (this assumption is based on the city's move to annual assessments);
- Annual health care increase of 15%; and
- Annual salary increases.

These assumptions and others help city policymakers assess the impact of fiscal changes outside the control of policymakers on the city and its budget process.

The city's forecast depicts the gap between revenue raising capacity and expenditure need, not actual revenues and expenditures. Needs and capacities change as a result of changes in environmental elements. Actual expenditures and revenues change both because of changes in environmental elements and because of internal changes, such as the city's fiscal, managerial, and program delivery policies. By projecting only the needs capacity gap, policymakers are able to plan ahead for policy changes they will need to make in the future. Figure 12 shows the needs capacity gap forecasted for years 2003 to 2008. This gap assumes no changes beyond those included the Governor's 2003-2005 Budget proposal.

The annual budget process is the primary mechanism to put forth city policy and initiatives. Every year, the City of Milwaukee makes decisions about city services through the budget. A variety of revenue sources support the city's general city purpose budget, the largest of which are the property tax levy and the state shared revenue payment. Combined, these revenues account for nearly three-fourths of the total revenue for general city purposes. Nearly 42% of these revenues is in the form of state shared revenue (see Figure 13).

With restrictions on over 75% of city revenues, the prospect of reducing the needs capacity gap through increased revenues is limited. This

Figure 12

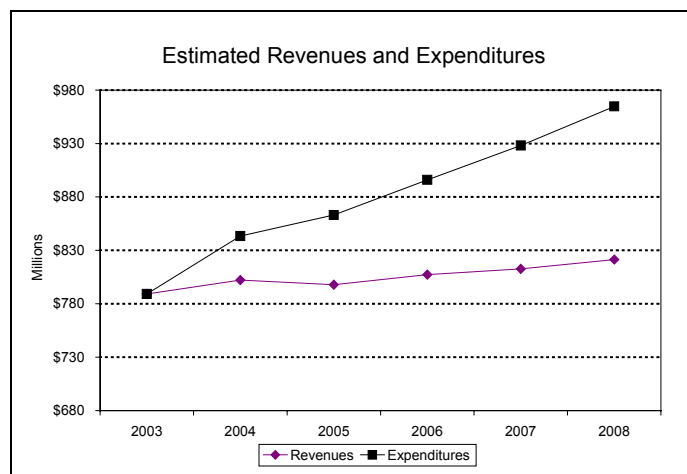


Figure 13

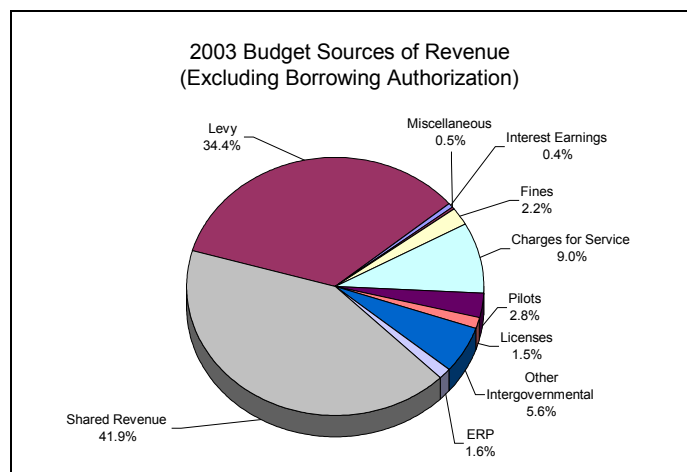
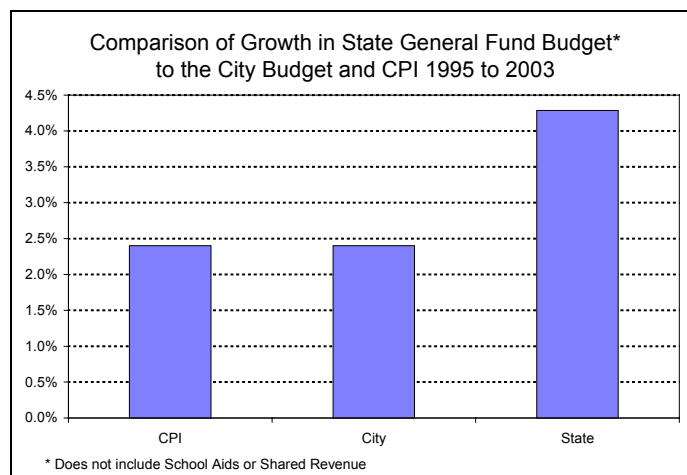


Figure 14



means the city will need to continue to focus on expenditure reductions. Although the city has previously been able to meet the challenges posed by stagnant and declining state shared revenues and expenditure restrictions, it is not clear whether the

real issue of state spending growth for other purposes will be addressed. Figure 14 shows the growth in state spending compared to the CPI and city spending.

## FISCAL MANAGEMENT

**Efficient Operations:** The needs capacity gap is not new to Milwaukee policymakers. This has led city policymakers to make a variety of difficult decisions on where to make changes in the way city government operates.

- By reducing the number of employees without diminishing essential services. The total number of city employees has fallen by 743 since 1988. Looking closer at these numbers, the city has strengthened its commitment to law enforcement by adding 299 police positions while reducing all other positions by 1,042 (see Figure 15).
- By limiting the property tax levy. Since 1988, the “real” or inflation adjusted property tax levy has fallen by \$17.38 million (see Figure 16).
- Through these and other efforts, the City of Milwaukee has lowered its property tax rate by \$2.94 since 1988. The city’s property tax rate for 2003 is \$10.15, which is nearly 22.5% below the 1988 rate of \$13.09 (see Figure 17).

**Expenditures Per Capita:** Perhaps the most fundamental indicator of fiscal health for city residents is the amount the city spends for each resident and the resulting levels of service. When compared to other municipalities in Milwaukee County, Milwaukee ranked near the highest with an average expenditure of \$1,276 in 2000.

Simply looking at Milwaukee’s total per capita expenditure does not fully capture the whole expenditure picture. For example, in 2001 Milwaukee had the fourth lowest per capita expenditure for sanitation related costs when compared to other Milwaukee County municipalities. Sanitation has a large, efficient operation that takes advantage of economies of scale, effectively reducing its per capita expenditure.

Figure 15

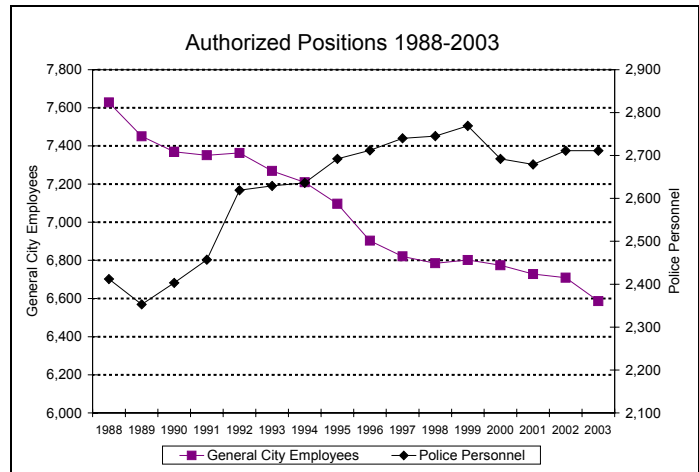
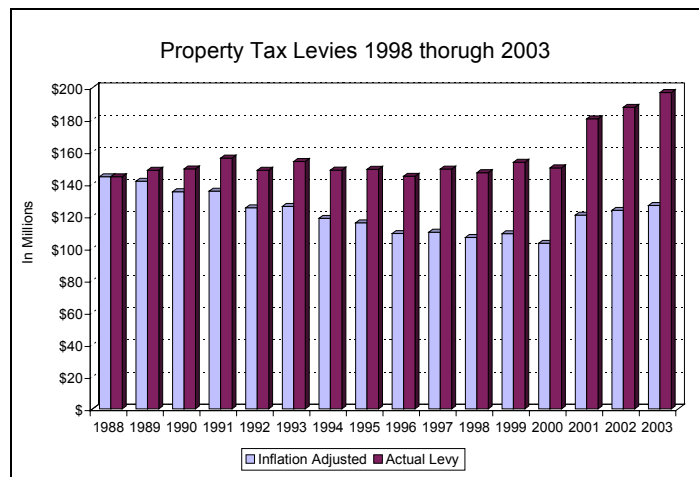


Figure 16



Conversely, in 2001 the city’s public health expenditures were third highest when compared to other Milwaukee County municipalities. While many other Wisconsin municipalities rely on the state or the county to provide public health services, Milwaukee’s size and level of need necessitate that it provide additional services such as immunizations, laboratory services, and infant mortality reduction initiatives. These additional services help to explain a higher per capita expenditure. In addition, the city’s average income is lower than surrounding

municipalities. Lower income residents require additional health services that they are unable to acquire due to a lack of insurance, transportation, and poor information. City government must step in where there is market failure like this scenario and provide the necessary services to its citizens.

Milwaukee is a much larger city than any of its surrounding communities, explaining a higher overall per capita expenditure on many city services like public health, fire suppression, and police services. Since citizens often vote with their feet, it is necessary for Milwaukee to stay competitive with its surrounding communities. The city must continue to seek efficiencies in its operations in an effort to reduce per capita expenditures compared to our surrounding municipalities.

**Municipal Workforce:** Currently, in a highly competitive employment marketplace, businesses, and other governments often seek out highly skilled city workers. The city has recently experienced significant turnover among professionals, officials and administrators, and skilled craft workers. The labor market's high level of demand for professionals and skilled employees, combined with Milwaukee's shrinking pool of available skilled workers, has implications for the city government's ability to retain skilled professionals and thus, provide quality service.

Overall, the city's workforce, while steadily declining in size, is becoming increasingly older and more diverse. With today's rapidly changing environment, employee skills, and competencies need to be continually upgraded. Everything from technology to managing diverse workforce in an increasingly dynamic legal environment creates new challenges and requires updated skills to enable employees to be effective.

**Employee Benefit Costs:** City employees, those individuals that perform the city services, represent the city's largest costs. In 2003, employee salaries and fringe benefits accounted for 83% of the city's general purpose budget. These costs include those related to health care, workers' compensation, employee retirement, and others. This indicates that managing costs includes working to manage expenditures for city employees.

Figure 17

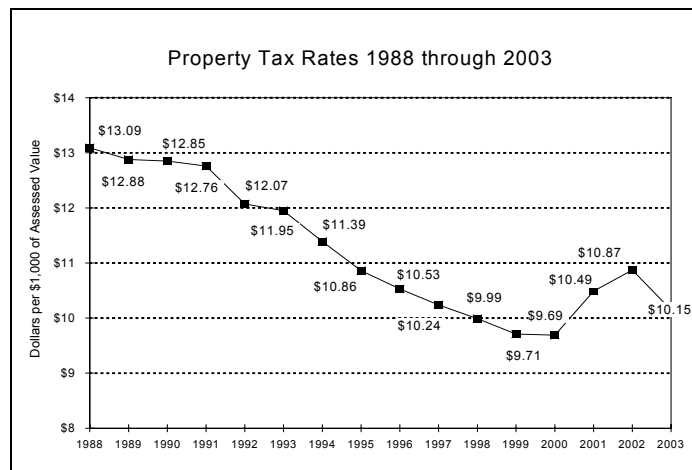
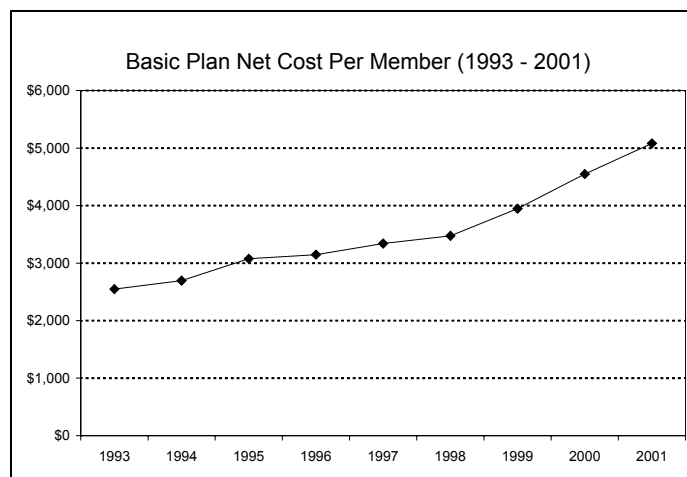


Figure 18



One of the expenditures that the city is attempting to manage is that of health care. The City of Milwaukee currently offers two types of health care plans: the Basic Plan, a self-insured plan, and multiple Health Maintenance Organizations (HMO's). The city's fiscal struggle with salary and fringe benefit costs is reflected in the Basic Plan trends (see Figure 18). The city's costs have increased at an alarming rate considering that both utilization and membership have decreased.

Rising health care costs is not simply a concern to city government; it is a concern citywide. Acknowledging the health care cost increases facing the city and the Milwaukee metropolitan area, Mayor Norquist established a task force to explore why health care costs are increasing so rapidly and what can be done to control them.

The recommendations from this task force include:

- Encourage employee health care choices
- Provide access to medical care to all residents
- Change Medicare and Medicaid reimbursement so that Wisconsin receives an improved share
- Promote health and prevent disease for a healthier Milwaukee
- Improve health care quality
- Promote cost effective prescription drug use
- Improve access to affordable health insurance for small employers
- Assure an adequate supply of health workers and facilities
- Eliminate legislative obstacles

The work of the Health Care Task Force is an important first step. Its nine recommendations cover nearly all areas impacting health care with solutions to achieve a more efficient and effective health care system. Understanding the need to implement the recommendations, the task force charged specific organizations or individuals with implementation of the recommendations.

**Capital Improvements:** One of the basic functions of local governments is to maintain basic infrastructure systems. These systems – sewers, water mains, streets, bridges, alleys, sidewalks, and street accessories – are essential to the economic viability of any city. The proper maintenance of the city's infrastructure maximizes taxpayer dollars.

The City of Milwaukee annually develops a six-year capital plan to maintain this infrastructure (see Figure 19). This plan allows the city to anticipate future capital improvement projects. While maintaining infrastructure is vital, the city's capital includes more than infrastructure. The capital improvements plan includes funding in many categories including health and safety, and economic development.

The City of Milwaukee uses several sources to fund its capital improvements (e.g. cash, grants, and debt). Because many capital improvements have relatively long lives, the city often uses debt to fund

Figure 19

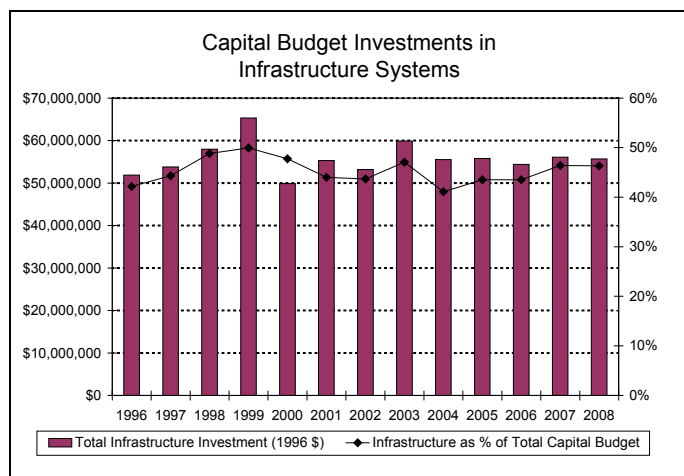
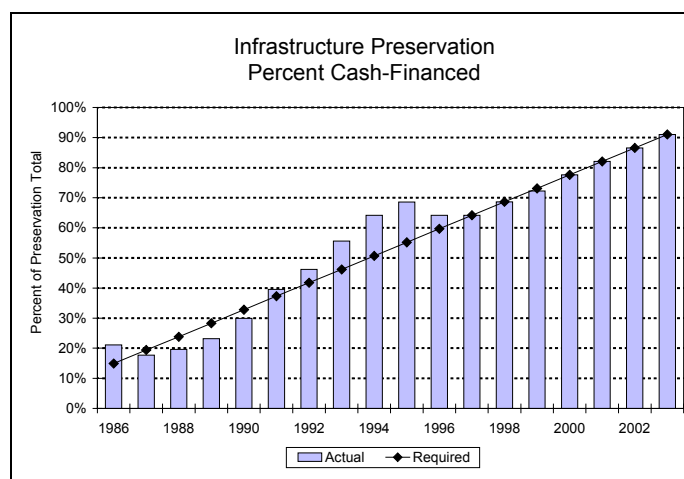


Figure 20



these investments. This funding mechanism allows for future beneficiaries to carry a portion of the project's costs. In 1986, the city began the process of reducing its reliance on borrowing by converting infrastructure replacement to full cash financing (see Figure 20). In 2003, Milwaukee will cash finance infrastructure projects at 91%.

**City and Overlapping Debt:** Controlling debt is yet another example of Milwaukee's dedication to fiscal management. Cities like Milwaukee need to make investments into maintaining existing infrastructure. Older cities do not always utilize debt to finance capital investments but also to finance day-to-day operations. Milwaukee recognizes that there is a danger of deferring today's spending into tomorrow and as a policy does not borrow for day-to-day city operations.

City debt is characterized as either self-supporting debt or tax levy-supported debt. Self-supporting debt includes debt related to parking, tax incremental districts, delinquent taxes, special assessments, land bank, and Water Works. Each debt category is financed with earnings from the operation of the particular program for which debt was incurred. The concept is that the use of proceeds will generate a stream of revenue that will offset related principal and interest payments.

The city funds debt service on general obligation debt through property tax revenue. Included in the tax levy-supported debt category is borrowing for school purposes, general city capital improvement borrowing, and all other purposes not included in the self-supporting debt category.

A significant portion of city debt is self-supporting even though it is used as general obligation debt (see Table 1). Outstanding debt service requirements for these purposes as of December 31, 2001, was \$268.3 million, or approximately 31.84% of total debt service requirements. The largest component of self-supporting is tax incremental districts, which total \$120 million. The remaining components are parking (\$31.71 million), water (\$60.85 million), special assessments (\$31.50 million), and delinquent taxes (\$23.71 million).

State statutes limit direct general obligation borrowing to 7% of the equalized value of taxable property in the city. Of this 7% limitation, 5% is the limit on city borrowing for municipal purposes and 2% is the city's limit on school purpose capital borrowing. As of December 31, 2001 the city's remaining unutilized legal debt limit was \$760.5 million. Of the remaining unutilized debt, \$371.4 million is for city purposes and \$389.1 million is for school purposes.

Despite reductions in the amount of new debt, Milwaukee must still borrow to fund many activities. State law requires the city to issue bonds for and make payments on Milwaukee Public School

Table 1

<b>Outstanding Debt Service Requirements by Purpose</b> <b>City of Milwaukee General Obligation Bonds and Notes</b> <b>As of December 31, 2001</b> <b>(In Thousands)</b>				
Purpose	Principal	Interest	Total	% of Total
Self-Supporting Debt				
Tax Incremental Districts	\$85,096	\$34,945	\$120,041	14.25%
Parking	25,557	6,149	31,706	3.76%
Water	47,858	12,992	60,850	7.22%
Delinquent Taxes	22,430	1,279	23,709	2.81%
Special Assessments	23,882	7,616	31,498	3.74%
Land Bank	407	79	486	0.06%
<b>SUBTOTAL</b>	<b>\$205,230</b>	<b>\$63,060</b>	<b>\$268,290</b>	<b>31.84%</b>
Tax Levy Debt				
Economic Development	\$28,259	\$8,719	\$36,978	4.38%
Public Facilities	116,767	37,932	154,699	18.36%
Streets, Sewers, Bridges	170,348	54,665	225,013	26.70%
Other	23,188	3,002	26,190	3.11%
School Debt	99,591	31,916	131,507	15.61%
<b>SUBTOTAL</b>	<b>\$438,153</b>	<b>\$136,234</b>	<b>\$574,387</b>	<b>68.16%</b>
Less Prepayment	\$0	\$0	\$0	0.00%
<b>TOTAL REQUIREMENTS</b>	<b>\$643,383</b>	<b>\$199,294</b>	<b>\$842,677</b>	<b>100.00%</b>

Source: 2001 Comprehensive Annual Financial Report Exhibit J-3

Table 2

<b>Summary of Net Direct and Overlapping Debt</b> <b>As of December 31, 2001</b> <b>(In Thousands)</b>				
Governmental Unit	Net Debt Outstanding	Percent Applicable to City	City Share of Debt	Percent of Total
Direct Debt				
City of Milwaukee	\$601,246	100.00%	\$601,246	54.14%
Overlapping Debt				
MATC	81,600	38.03%	31,032	2.79%
Milwaukee County	490,579	46.50%	228,119	20.54%
MMSD	525,199	47.65%	250,257	22.53%
<b>TOTAL DEBT</b>	<b>\$1,698,624</b>		<b>\$1,110,654</b>	<b>100.00%</b>

Source: 2001 Comprehensive Annual Financial Report, Table 9

Table 3

Comparison of Major Cities 2003 Bond Ratings			
	S&P	Fitch	Moody's
Baltimore	A	--	A1
Boston	AA-	AA-	Aa2
Chicago	A+	--	A1
Columbus	AAA	--	Aaa
Detroit	A-	A	Baa1
Milwaukee	AA	AA+	Aa2
Minneapolis	AAA	AAA	Aa1

debt. City taxpayers also support the debt of other local governments, or overlapping debt, including Milwaukee County, the Milwaukee

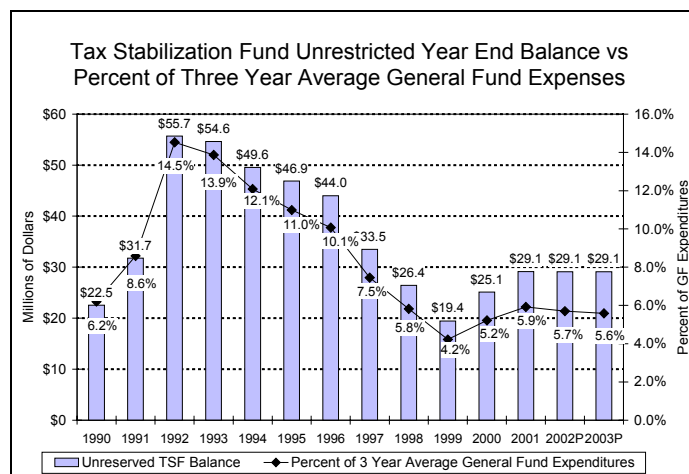
Metropolitan Sewerage District, and the Milwaukee Area Technical College. Table 2 shows the total direct and overlapping debt for all jurisdictions as of December 31, 2001. The city share of this debt totals \$1.1 billion, of which the city's direct debt totaled \$601.2 million or 54.13% of total overlapping debt.

Milwaukee has taken steps to reduce its debt burden. The city must continue its efforts to limit new borrowing and also encourage other local governments to join in this effort. Debt eventually requires repayment with tax dollars. As we plan for today, it is necessary to not unduly burden the taxpayers of the future.

**Reserve Funds:** The City of Milwaukee has two monetary reserve funds: the Tax Stabilization Fund (TSF), and the Public Debt Amortization Fund (PDAF). While most cities across the Nation typically maintain one reserve fund, Milwaukee's practice helps demonstrate our commitment to strong fiscal management practices. This commitment can be seen in our relatively strong bond ratings when compared to other cities (see Table 3).

To strengthen our commitment to reserves, the city's 2003 PDAF withdraw (\$5 million) was the lowest withdrawal in over a decade. In addition, the city is working on formalizing a policy for the TSF. Based upon guidelines set forth by the Gov-

Figure 21



ernment Finance Officers Association and in cooperation with the City Comptroller, the city is working to establish a policy that establishes a minimum balance in the fund of 5% of the city's three year average general fund expenditures and a maximum balance of 10%. The city will work toward growing to the mid-point or 7.5%. Under the policy, withdrawals from the fund would be limited to fund regeneration if the balance falls below the 5% target. Figure 21 illustrates how Milwaukee's experience compares to the policy guidelines. In only one year did the TSF available balance fall below the 5% minimum. In 5 of the last 11 years, the city was above the 10% maximum level.

**Fiscal and Strategic Planning to Chart the Course for Milwaukee's Future:** The City of Milwaukee has effectively and efficiently managed its operations in the face of fiscal uncertainty. The city recognizes that this turbulent fiscal environment

requires making difficult choices about the type, quality, and quantity of city services to provide. Utilizing the Fiscal Plan as a framework, the city has developed a Strategic Plan to guide future decisions and chart the future direction of Milwaukee.



## CITY OF MILWAUKEE STRATEGIC PLAN

Over the past decade, Milwaukee has seen property values climb, crime rates decline, fire deaths fall, and a number of new businesses grow. During this same time, the city has faced fiscal constraints limiting funding for services. In spite of these constraints, the city has repaired and plowed streets, picked-up garbage, immunized children against communicable diseases, offered educational opportunities through the city's libraries, and inspected buildings to make them safer.

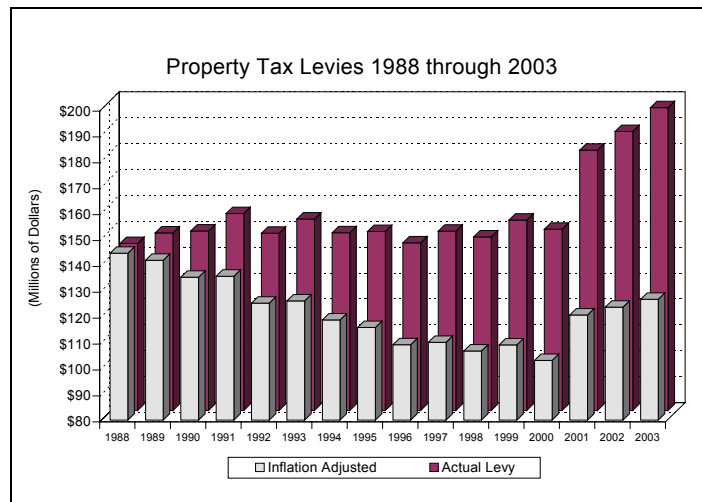
These achievements, both large and small, represent just a few of the successes of Milwaukee city government during the past ten years. Each represents a "success" in the truest sense of the word, because they have all contributed to making Milwaukee a better place in which to live, work, recreate, and do business.

Meanwhile, the cost of city government grew at a rate less than the rate of inflation (see Figure 1). This means that people who live or own businesses in the City of Milwaukee paid less in inflation-adjusted dollars for the improved services they received, making each success that much more meaningful.

Not all of the city's efforts were successful nor were all efforts equally effective. However, Milwaukee met each challenge and obstacle head on, and it must continue to do so, as it strives to build upon its recent successes. Milwaukee can and must overcome new obstacles in the same way it surmounted the old; by focusing on providing services that residents and businesses want and by directing resources toward the things that city governments do best.

Citizens have come to expect a high level of service from the City of Milwaukee. In the foreseeable future Milwaukee must continue to do more with less. The city must identify the services desired by its citizens and direct resources to those places where they will have the greatest positive effect.

Figure 1



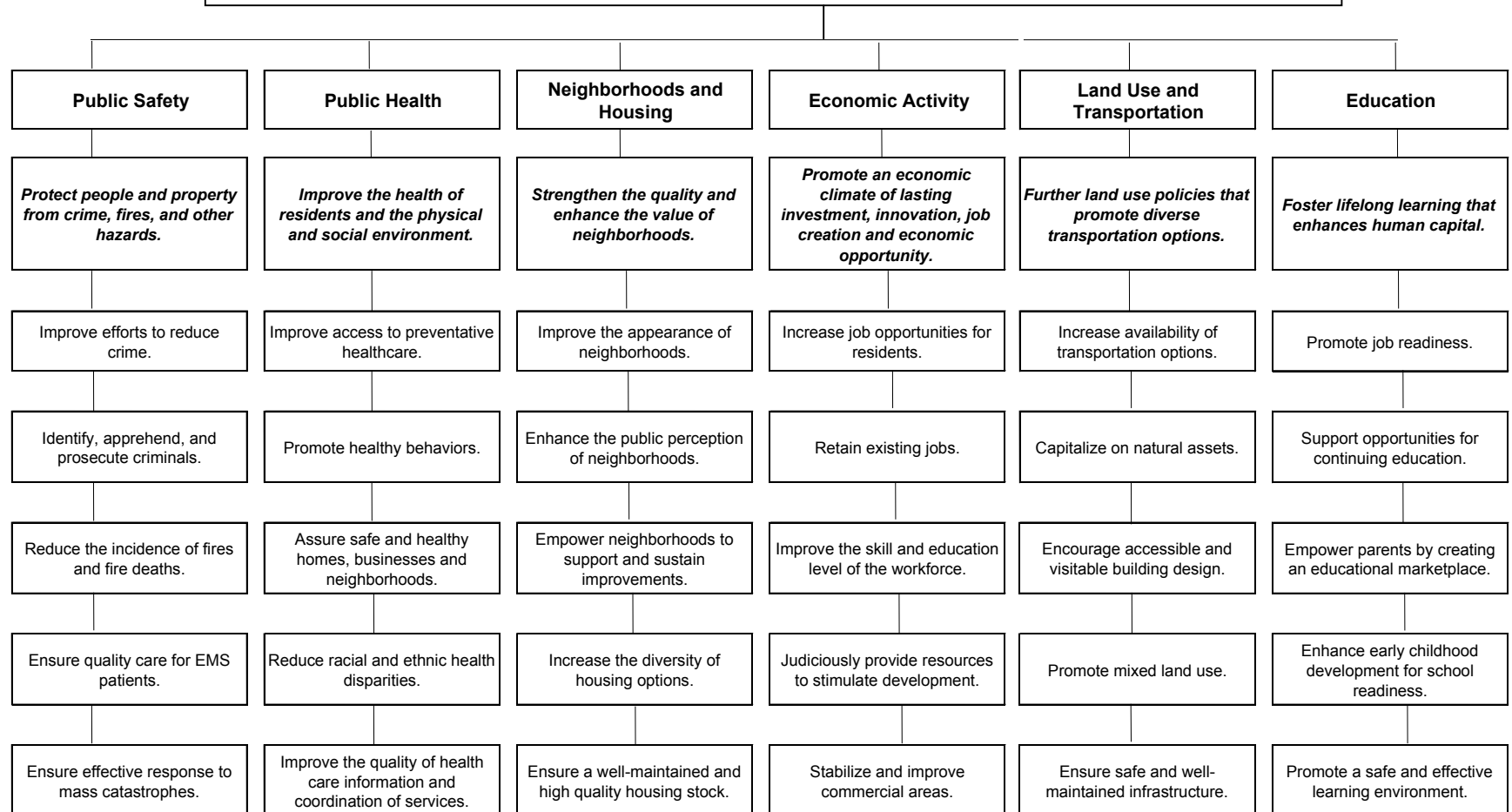
Milwaukee must embrace the flexibility that will allow it to target the appropriate mix and levels of services to specific geographic areas of the city based on need. At the same time, however, it must ensure that all of its citizens obtain value from services they receive from the city that meets or exceeds the amount they pay in fees and property taxes.

Milwaukee city government will ensure these services to its citizens by following these strategies:

- Focus on providing services that offer value to city residents.
- Continue to find new and equitable ways to reduce costs and increase efficiency while providing critical services.
- Ensure that it possesses the human, financial, and technological resources needed to provide citizens with the services that they want and need.

As seen in the organizational table on page 22, the City of Milwaukee has six strategic categories that implement these strategies and guide the city's activities.

## Ensure that City Government Provides Services that Maximize Efficiency and Minimize Cost





## PUBLIC SAFETY SUMMARY AND FINDINGS

Milwaukee is a safe city. Crime rates and fire related deaths are low when compared with other U.S. cities.

Strong efforts in fire prevention and safety that began in the late 1980's have brought down the number of annual fire deaths. Over recent years, these programs have been effective in maintaining a low number of fire deaths. These programs have also been responsible for a dramatic reduction in fire incidents.

Crime reductions in the city have continued through the 1990's and beyond; however, the decrease in crime experienced by other cities has greatly exceeded the reduction occurring here. Some areas, like sexual assault crimes, have seen reasonably large decreases. Unfortunately, this has not been the case in all violent crime categories.

1. The violent crime rate in Milwaukee in 2001 was 77.4 per 1,000 residents. This placed Milwaukee roughly in the middle of a group of similar cities as depicted in Figure 2.
2. Milwaukee experienced a significant increase in crime between 1982 and 1990. As shown in Figure 3, the crime rate began to decline after 1990. There was a drop in total violent crime<sup>1</sup> that was driven by a decrease in robberies.
3. Milwaukee has experienced an 8.6% reduction in violent crime between 1996 and 2001. However, this reduction is far behind the steep decreases in violent crime seen in many other large cities during the late 1990's (see Figure 4).
4. Sexual assault crimes have declined substantively in 2002, from a high of 1,781 in 1997 to 941 in 2002 (see Figure 5). A 31.6% reduction in sexual assault crimes occurred between 2001 and 2002.

<sup>1</sup> This analysis excludes property crimes to simplify the data to focus on the key strategic outcomes.

Figure 2

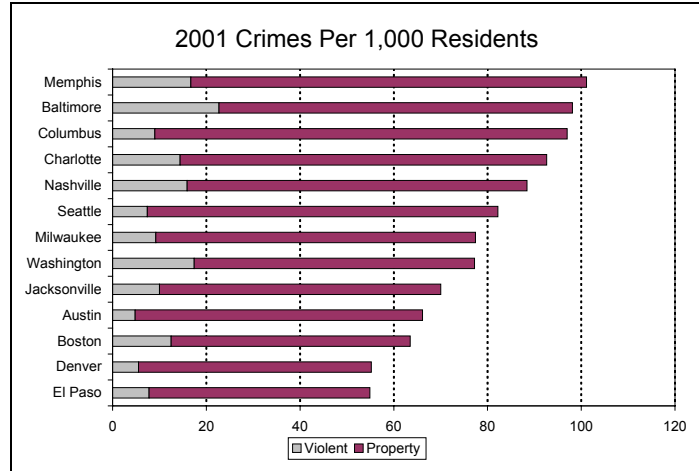


Figure 3

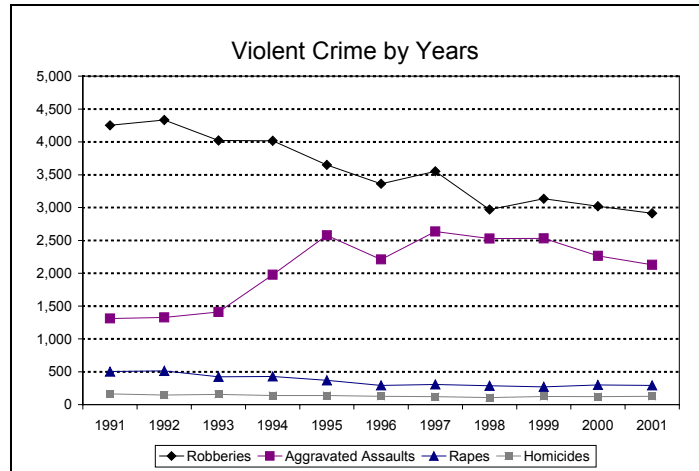
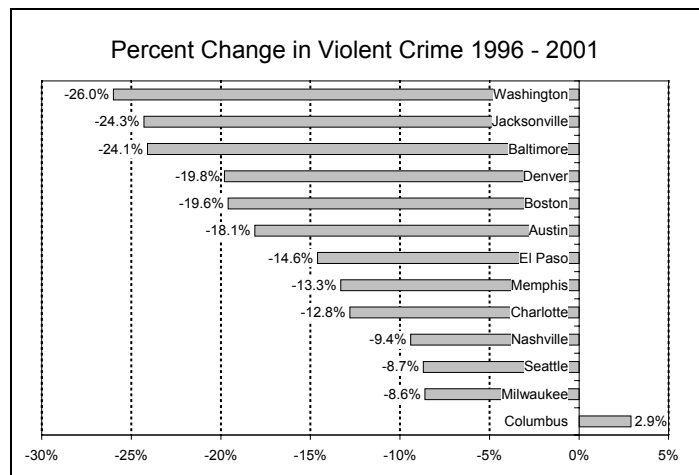


Figure 4



5. Fire related deaths decreased from 26 in 1990 to 6 in 2002 (see Figure 6). Fire deaths among children have decreased substantially from 15 in 1990 to 2 in 2002, and have not exceeded 5 since 1996.
6. The number of fires decreased by 22% between 1994 and 2001, reducing from 11,651 to 9,131. The fire incident rate, calculated as the rate of fires per 1,000 people, decreased from 18.5 to 15.3.
7. The property value loss due to fires has shown a slight decrease from 1997 to 2002 for properties under \$150,000. Property value loss for these properties went from \$13.5 million in 1997 to \$12.1 million in 2002.
8. Response times for provision of fire suppression, emergency medical services, and specialized services have improved over time. The percentage of Fire Department calls responded to within 5 minutes increased from 90.5% in 1993 to 92.7% in 2001 (see Figure 7).
9. Emergency Medical Service (EMS) responses have increased significantly over the past decade. Between 1990 through 2002, EMS responses in the City of Milwaukee increased 21% and now constitute over 75% of all Fire Department calls for service.
10. Current global conditions require coordinated efforts among health care institutions to safely address suspicious field calls involving potential chemical and biologic agents. An inter-agency plan has been developed to deal with medical management of mass catastrophes.

Figure 5

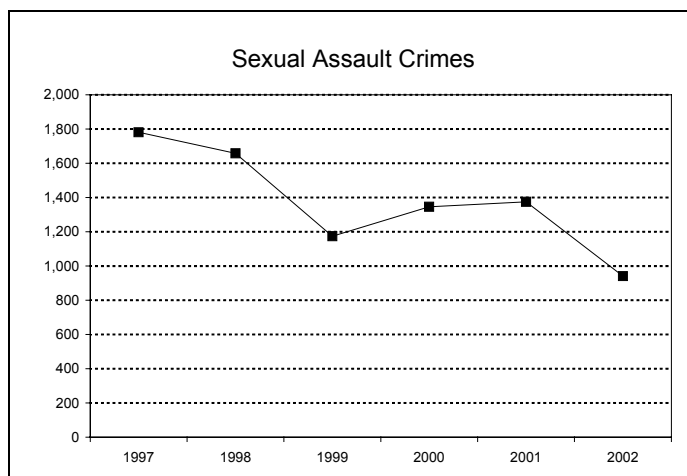


Figure 6

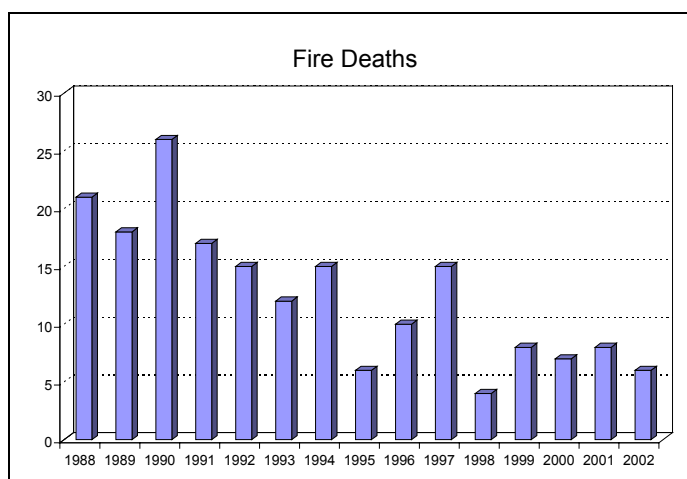
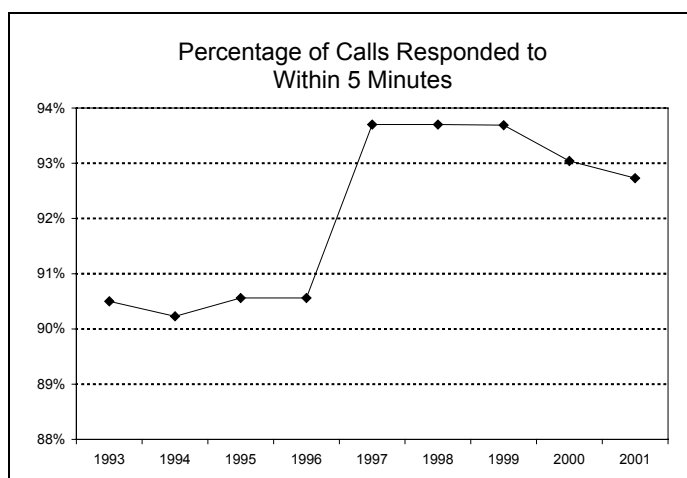


Figure 7



## **PUBLIC SAFETY STRATEGIC GOAL**

### **Protect People and Property from Crime, Fires, and Other Hazards**

#### **STRATEGIC ISSUES**

Milwaukee commits extensive resources to ensure that the city is safe for not only its residents, but for tourists, commuters, and other visitors to the city. Providing for safe neighborhoods, business districts, schools, parks, and city streets ensures the foundation for thriving communities and a high quality of life.

Milwaukee's public safety activities consist of two types: preventive and responsive. Preventive activities promote conditions that reduce the likelihood of unsafe events. Responsive activities minimize the negative impacts of hazardous events. Collaborative approaches are used to measurably reduce violent

crime by blending law enforcement, neighborhood organizing, and youth development.

Milwaukee must continue to build on its successes in ensuring public safety, using the knowledge and experience it has gained to work toward the goal of improving safety for its residents, businesses, commuters, and tourists alike. In all areas of public safety (crime, violence, fire hazards, and terrorism) the city must continually work to not only improve its current strategies and methods, but also develop new ones, regularly measuring and evaluating the results. Through regular measurement and evaluation, Milwaukee will ensure that it implements useful strategies and eliminates those that are ineffective.

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#### **OBJECTIVES**

- Reduce crime
- Identify, apprehend, and prosecute criminals
- Reduce the incidence of fires and fire deaths
- Ensure quality care for EMS patients
- Ensure effective response to mass catastrophes

##### **Strategy 1: Identify and Support Activities that Reduce Crime and its Correlates**

Crime prevention is one of the most important means to impacting the city's quality of life. When crime is prevented all the related social costs are eliminated. Prevention initiatives should provide safe and positive alternatives to crime and should work to deter criminal behavior by advertising the consequences.

However, not all crimes can be prevented. The system that holds criminals responsible must be strengthened at every opportunity. Efforts should integrate the criminal justice system by coordinating law enforcement, prosecution, community supervision (probation/parole), and others.

The city must be prepared to adequately respond to and solve criminal acts when they occur. Once the crime is solved, the city must ensure swift and cer-

tain punishment for infractions of all types and levels of offenses. Victims and suspects alike must be treated fairly. Finally, the city must work with the courts and other components of the criminal justice system to ensure that punishment levels are consistent with the severity of the crime.

Improving the city's ability to reduce crime requires understanding why other cities have been successful. Other cities have reduced violent crime more significantly than has Milwaukee. Successful public safety strategies from these cities need to be evaluated and implemented. This includes both proven strategies and tactics in fighting crime and changes in the organization and management of the Police Department.

##### **Strategy 2: Reduce the Damage Caused by Fires and Other Catastrophes**

Preventing a fire or catastrophe removes residents from potentially harmful situations. Focusing on prevention, by ensuring correct installation and maintenance of electrical wiring, safe use of space heaters, or proper handling of smoking materials can reduce life threatening events. Providing adequate warning through proper use of smoke detectors and fire escape techniques improves residents' ability in remaining unharmed.

However, even the best preventive and educational efforts will not eliminate fires, natural disasters, and accidents. The city and other government entities must respond quickly, effectively, and with sensitivity. The city must devote resources to be constantly prepared and equipped to swiftly mitigate situations that threaten public safety.

### **Strategy 3: Respond Rapidly to Minimize the Impact of Possible Terror Activity**

The recent escalation in worldwide terrorist activity has put nations and individuals on alert. Terrorist activity could take place in the form of bio-terrorism, chemical attacks, or bombs. Plans, protocols, and procedures between agencies should ensure effective emergency preparedness for these types of situations. Functional field exercises can be used to test plans to assure rapid response to terrorism. This can be enhanced with disease surveillance for early detection or warning of a bio-terrorism event.

Health care and laboratory capacity is also essential to assure the adequate ability to care for patients and/or limit the effect of the disaster. This requires partnerships with private health care providers and laboratories to ensure adequate trained personnel and capacity. Rapid chemical and biologic agent identification is critical to ensuring proper public health intervention and prevention strategies.

Finally, a quality communication system that provides uninterrupted communication within and between agencies is important. The system should contain secure and rapid information exchange between a wide array of emergency response agencies and community organizations.

### **Strategy 4: Ensure the Safety of Public Buildings, Residences, and Public Spaces**

The construction of places for residence and business are left to market forces - the size, function, and value of amenities of buildings developed are driven mostly by the consumers' willingness to pay for such structures. The city must reassure investors and consumers that the structures they use or inhabit meet specific safety and quality construction standards, and thus are safe to inhabit and use.

In addition to ensuring safety in the inside of buildings, it is important that problems on the outside of the building are also addressed. Hazards related to abandoned vehicles and other nuisances not only produce safety issues but also detract from the property values throughout the neighborhood.

### **Strategy 5: Provide Quality Emergency Medical Services Care to Milwaukee Citizens and Visitors**

In order to provide quality EMS services, it is critical that when a request for assistance is received the call is triaged in an efficient manner and that the responding unit is appropriate. In order to achieve this goal, the city should mandate that all requests for emergency medical services are received centrally through the 9-1-1 system. A central intake point ensures that dispatch protocols are standardized throughout the EMS system, receive periodic medical control reviews, and meet national and local medical guidelines.

As the primary provider of EMS services, the city must ensure that the level of care received by a patient does not deviate significantly by a responding provider. The city should establish uniform medical standards for Basic Life Support (BLS) level care by entering into service contracts with the private ambulance providers. Similar to the contracts for participation in the countywide Advanced Life Support (ALS) Services System, these contracts should delineate medical care protocols, performance and response time standards, and the ability to audit and review services provided. By standardizing dispatch, response, and medical care protocols throughout the City of Milwaukee EMS (ALS and BLS) Systems, the city can guarantee that the on-scene responders are able to appropriately assess, treat, and care for a patient which is the most important factor to the provision of quality services.

### **Measuring Success**

- Violent crime rate
- Fire related deaths
- Percentage of emergency calls responded to within five minutes

## PUBLIC HEALTH SUMMARY AND FINDINGS

Milwaukee has experienced improvements in public health, such as lowering the overall rates of infant mortality and lead poisoning. However, these and other public health issues remain a concern. High levels of teen sexual activity, pregnancy, and childbirth put both the children and parents at risk. Improving the health among school-age children remains a challenge for Milwaukee.

Since health problems affect other areas, such as education and the economy, long term improvements in public health are crucial to Milwaukee's future success.

Considerable progress has been made toward insuring the citizens of Milwaukee and reducing communicable disease, tobacco use, and other killers of the recent past. The focus must now shift to addressing underlying social issues related to sexual behavior, child rearing, violence, and mental health. Progress is dependent on many factors, including reducing racial, ethnic and economic disparities, improving access to preventive care, controlling health care costs, and meeting health workforce needs.

1. While the recent BadgerCare and Medicaid expansions have reduced the number of Milwaukee residents without health insurance, there are still thousands who are uninsured or under-insured at least part of the year (see Figure 8).
2. Health care costs in the Milwaukee area are rising rapidly and are higher than comparable metropolitan areas.
3. Demand for health care is high given an aging society and serious health threats; however, the supply of health workers is waning. Almost 9,500 health service job openings were estimated for Milwaukee County in the five years leading to 2003. Milwaukee has not been spared from the national shortage of registered nurses in recent years.

Figure 8

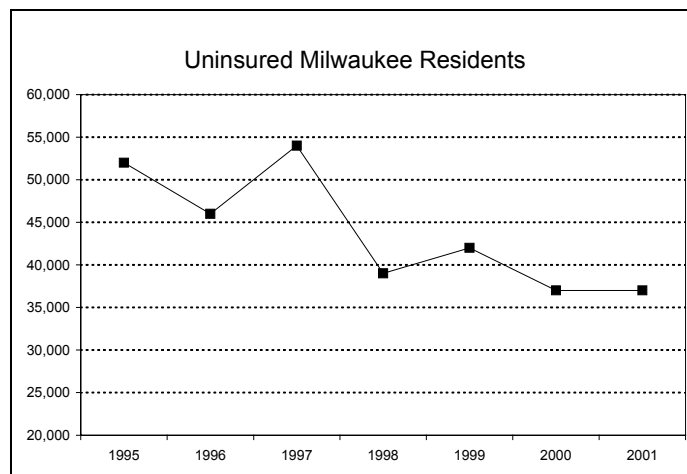


Figure 9

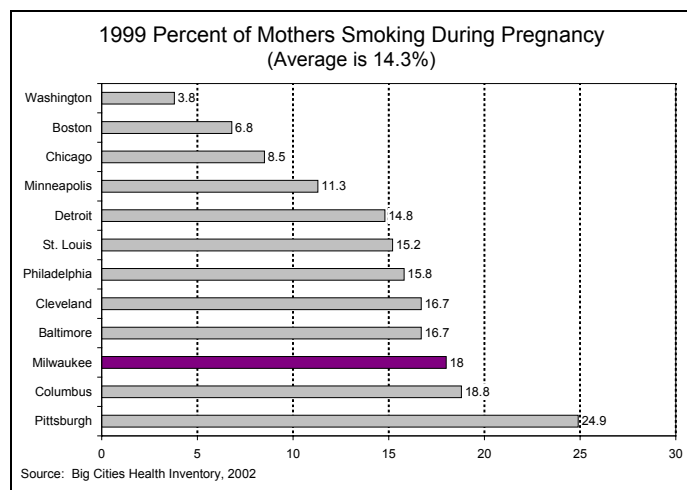
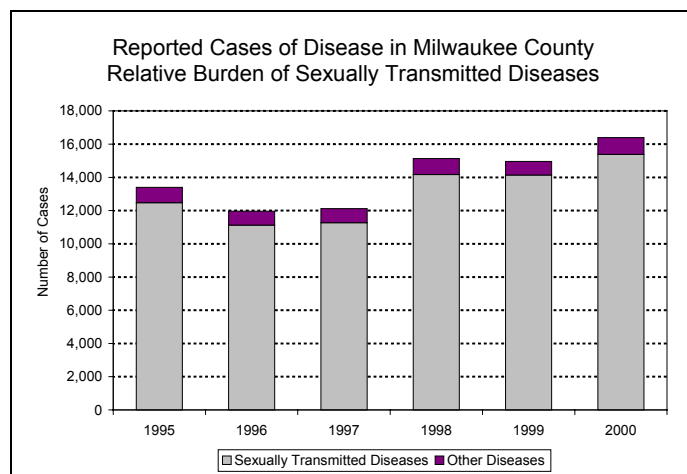


Figure 10



4. Although declining, tobacco use is still the city's greatest killer, contributing to heart disease, cancer, lung disease, stroke, asthma, low birth weight, and fire deaths. Tobacco use among pregnant women is especially higher compared to rates of other major cities (see Figure 9).
5. Obesity is on the rise and now affects about one-third of all adults. In all age groups, residents are failing to meet minimum recommended exercise levels and are well below state and national averages.
6. Sexually transmitted diseases increasingly overshadow other communicable diseases in Milwaukee (see Figure 10). This reflects, in part, high rates of unprotected sexual activity, particularly among the city's youth.
7. Over 66% of city births result from unintended pregnancy. Milwaukee has a high teen birth rate, with 65 of every 1,000 Milwaukee teens aged 15 to 17 delivering babies in 2000. In some neighborhoods the rate is more than one out of every ten teens.
8. The percent of Milwaukee women who initiate pre-natal care within the first trimester has hovered around 75% since 1995, compared to national averages above 80%. Encouraging proper pre-natal care is an important facet of improving children's health.
9. In 1999, Milwaukee had the fifth highest infant mortality rate among the Nation's 25 largest cities. African American infant mortality is about three times higher than white non-Hispanic infant death rate.
10. In the wake of the 2000 E-coli outbreak and recent problems with tainted meat, the dangers of foodborne illness have been in the spotlight. The enteric disease (foodborne illness) incidence rate remains a public health concern for Milwaukee (see Figure 11).

Figure 11

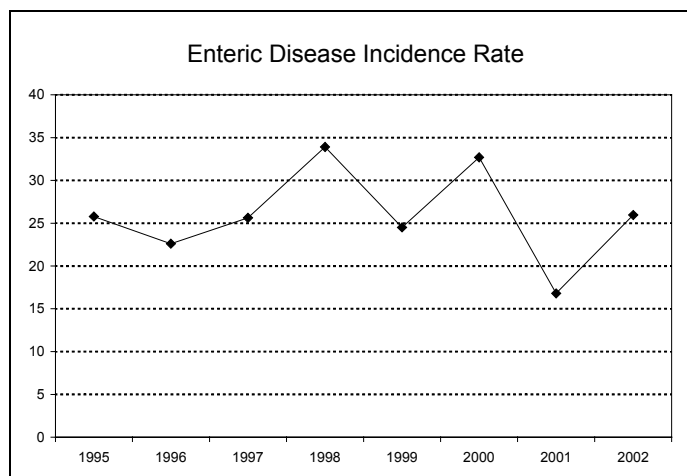
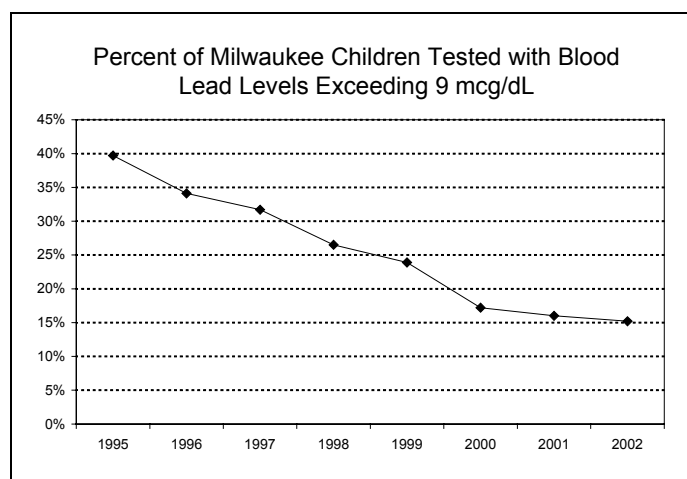


Figure 12



11. Improving the home environment is the most effective means to reduce lead poisoning, asthma rates, and unintentional injuries. For example, efforts to contain lead paint have contributed to a substantial reduction in the percent of children having high blood lead levels (see Figure 12).
12. Many health issues relate to the city's built environment. Run-off pollution from our highly paved watershed and upstream human agricultural waste strains the regional sewage system and threatens the water quality of rivers and beaches.

## **PUBLIC HEALTH STRATEGIC GOAL**

### **Improve the Health of Residents and the Physical and Social Environment**

#### **STRATEGIC ISSUES**

Milwaukee's current and future economic health depends both on the health of its environment and its residents. Cities where the environment is tainted by pollutants or contamination risk the loss of both existing and prospective business investments. Many of the leading causes of human suffering, lowered quality of life, diminished productivity, and high health care costs are preventable and can be addressed by good public health science, by encouraging healthier behaviors, environmental protection, abatement or design, and prevention-oriented health care.

It is not the job of city government, nor should it be, to furnish all needed public health services. The city's primary function is instead to facilitate the provision of health services through the array of

private and public health care providers in the area. City government does however, need to lead and play a unique role in environmental design and regulation, and in health promotion. Even in these areas multiple public and private entities still play a major role. Public/private partnerships can and do produce services and programs that are more cost-effective and community responsive.

The city must continue to assess health needs and opportunities, coordinate programs with other units of government and the private sector, and assure that laws and policies protect and promote health. Milwaukee values public and environmental health, and will continue to enhance the health and well being of its residents by employing the best science available, emphasizing prevention, upholding a commitment to collaboration, and supporting culturally competent services.

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#### **OBJECTIVES**

- Improve access to preventative health care
- Promote healthy behaviors
- Assure safe and healthy homes, businesses, and neighborhoods
- Reduce racial and ethnic health disparities
- Improve the quality of healthcare information and coordination of services

##### **Strategy 1: Promote Reproductive Health, Healthy Child Development, and School Readiness in Milwaukee**

Healthy child development is the foundation of a healthy community and this in turn relies on the health of young men and women. Even before conception, nutrition, infections, toxins, substance use, family planning decisions, and preventive health care impact the environment of the developing fetus. Pre-natal services can reduce the risk of premature delivery, birth trauma, and birth defects that may threaten an infant's health and life potential. Emotional security, intellectual stimulation, immunization and protection from injury, poisoning, pollution, and infection help launch a child toward educational and life success.

The city must continue its work for further improvement in early childhood development by requiring better pre-conceptional and reproductive health of adolescents and young adults. The city can achieve this by encouraging aggressive enrollment into pre-natal health services, educating young parents, reinforcing the role of men in supporting the health of children, and supporting safer, secure, and stimulating home and childcare environments.

##### **Strategy 2: Promote Healthy Behaviors and Access to Health Services in Milwaukee**

Health related behaviors and quality healthcare are important determinants of the length and quality of life. Many of the leading causes of death and disability are largely preventable by healthy behaviors. The city needs to be on the leading edge of the promotion of health behaviors and access to health services. The city must create a health enhancing environment and promote healthy behaviors in its residents. The city must also promote health screenings, immunizations, counseling, and the effective management of chronic risk factors like hypertension or obesity. Such preventive health care

will help to reduce costs and prevent some health problems and to ameliorate others.

With recent changes to the health care delivery system, access to care is an even greater priority and can be an even greater challenge. The city must continue to encourage enrollment and expansion of programs like BadgerCare to ensure access to health care at all levels of income. High health care costs not only threaten those who are uninsured, under-insured, or those with low incomes, but also threaten those in middle-income brackets. The city must work with health care providers to control costs by focusing on quality and safety, reducing cost shifting, avoiding duplication of services, creating incentives for wise use of health care, controlling pharmaceutical costs, and utilizing prevention services.

### **Strategy 3: Improve the Quality and Safety of Consumer Products and Services for Milwaukee Families**

Global trade and mass production of food and other goods means that the city may be only a step away from the mass production of illness or injury. Modern public health increasingly employs an engineering approach to hazards. For example, preventing entry of disease-causing microbes into food requires analysis of hazards and reliable elimination of contamination pathways for every product every day of every year. Many of these pathways involve human factors, like exempting ill workers from the workplace and changing sanitary behaviors. While labor intensive, this approach is both effective and necessary. Even small lapses in regulation or sanitation can ruin the reputation of businesses upon which hundreds or even thousands of jobs depend upon.

City government must continue to be vigilant, implement new technologies, and increase partnerships with food processors and retailers to ensure safety while continuing to make Milwaukee an attractive and hospitable city. Prevention of enteric illness requires new initiatives in new venues, such as the greatly expanded childcare and private school sectors. In the future, the city should work to empower customers with information so that they can regulate businesses more effectively with the power of their money.

### **Strategy 4: Reduce Illness and Injury from Communicable Disease, Pollution, and Disasters in Milwaukee**

The potential for rapid spread of contagious outbreaks or terrorist attacks requires continual surveillance and emergency response preparedness. The challenge of modern communicable disease control requires excellent coordination of advanced environmental, medical, epidemiological, nursing, laboratory and communications capabilities at the local level.

These same capabilities are also needed to respond to accidental or intentional release of chemicals or radiation, and mitigating natural disasters like storms or heat waves. A combination of private and public funding has enabled the city to establish the Milwaukee Center for Emergency Public Health Preparedness to meet the challenges of these fast-moving situations. Milwaukee must continue to improve public health emergency preparedness through avenues such as SurvNet and the HazMed Medical Response Team and work to improve laboratory training, equipment, and physical plant for advanced bioterrorism capabilities.

In addition to external threats, the city faces internal threats that may pose health problems to its residents. Sprawling populations, aging infrastructure, and increasing non-point pollution from both urban and rural areas of our watershed combine to threaten the safety of our rivers and Lake Michigan. The city must continue to work with other government agencies to address both point-source and non-point source water pollution and flood management.

Breaking the chain of transmission of well established diseases like tuberculosis or sexually transmitted diseases requires labor intensive case tracking, patient counseling and skill building, diagnosis, and treatment. Particularly in the case of sexually transmitted diseases, the city must emphasize changing the underlying sex-related behaviors that promote disease transmission and influence community norms that favor both increased abstinence and increased barrier protection.



### **Strategy 5: Reduce Illness and Injury Related to Home Environment in Milwaukee**

Milwaukee's older homes are beautiful but may harbor hazards, particularly when they are not well maintained. Lead dust from older paint causes chronic poisoning in thousands of children each year, potentially impacting their development. Dramatic reductions in childhood lead poisoning rates are driven by a focus on affordable strategies to reduce hazardous buildings. The city must continue to forge relationships with housing agencies, property owners, clinicians, and families until all housing units that still pose hazards have been abated.

Asthma affects an increasingly large proportion of Milwaukee's children and adults. However unlike lead poisoning the underlying reason for the increased incidence is not fully understood. Asthma affects low-income children as well as racial and ethnic minorities at much higher rates, which at least in part, likely reflects environmental exposures including ozone, insect pests, molds and dander, environmental tobacco smoke, and other factors. Improvement in asthma outcomes, such as avoiding hospitalization, can be achieved through better education of patients and families and improved access to appropriate therapies. The city's asthma programs, undertaken in collaboration with a broad coalition of organizations, are focused on activities that private agencies cannot accomplish, leveraging our experience in environmental abatement and case management. These asthma prevention efforts must be continued if the city is to achieve the same type of incidence reduction as it has achieved with lead poisoning.

Airborne hazards are not the only hazards people face at home. Injuries are now one of the leading causes of death, disability, and health costs in children and young adults. Injury reduction in Milwaukee includes roles for many city agencies (Fire, Police, Health, Neighborhood Services - Code Enforcement, and Public Works). The city should develop injury prevention strategies that intertwine the activities of these city agencies to those of private and voluntary organizations for maximum effectiveness.

### **Strategy 6: Improve the Infrastructure for an Effective Public Health System of Public and Private Partners**

It is necessary for various levels and agencies government, non-profit organizations, and businesses to share responsibility for the health of Milwaukee's residents and visitors. To accomplish this task, it is critical for systems that permit varied groups to work together reliably and effectively. One key role for the city is to assure access to information for needs assessment and to identify threatening or encouraging trends.

One forum for achieving this information transfer is the Mayor's Task Force on Health Care Cost Containment, initially convened in 2002. The city must continue to meet with top leaders from government, unions, business, the health care industry, and civic groups. As recommendations are developed for creating a more efficient, consumer driven health care market in Milwaukee, the city will partner with other organizations and groups to implement these recommendations.

One key issue identified by the task force is that the supply of adequate numbers of competent health professionals is increasingly problematic in many areas such as nursing and laboratory technology, crippling both the public and private health sectors. In addition to an inadequate workforce size, the skills of those newly hired will rapidly fall out-of-date without a strong commitment to lifelong scientific and public health education. Given the central importance of city residents making their own healthful decisions and using scarce health resources effectively, one of the most important measures of competency and activities of the city is to encourage effective communication across cultures and regardless of disability.

#### **Measuring Success**

- Infant mortality rate
- Childhood lead poisoning rate
- Percent of Milwaukee residents with health insurance
- Enteric disease incidence rate
- Incidence of syphilis and gonorrhea

## NEIGHBORHOODS AND HOUSING SUMMARY AND FINDINGS

Milwaukee has seen recent increases in income, property values, and owner-occupancy rates. These improvements contribute to the health and vitality of the city's neighborhoods. Although Milwaukee has realized these successes, some residents continue to face challenges.

These individuals and families continue to be concentrated largely in central city neighborhoods. Long term and substantial improvements in neighborhood quality require more focused efforts on targeted neighborhoods and more joint efforts across the metropolitan area. These efforts must focus on the goal of strengthening the quality and enhancing the value of Milwaukee's neighborhoods.

1. Milwaukee's residents represent varying ethnic and racial backgrounds. In 2000, minorities made up over 50% of Milwaukee's population.
2. The age structure of the city's minority population differs from that of the non-minority population. Minority residents account for the majority of children in the city while non-minorities make up the majority of the city's elderly population (see Figure 13).
3. Minorities in the metropolitan area are concentrated in Milwaukee with only 6% of the population in the remainder of the metropolitan area. Almost 22% of Milwaukee residents live on integrated blocks while less than 1% of residents in the surrounding metropolitan area live on integrated blocks.
4. The distribution of household income in Milwaukee improved between 1990 and 2000 but differs from the metropolitan area. The city continues to have a high percentage of the area's low income households and few of the area's highest income households (see Figures 14 and 15).
5. Milwaukee's median household income is relatively low when compared to other large cities in the U.S. (see Figure 16).

Figure 13

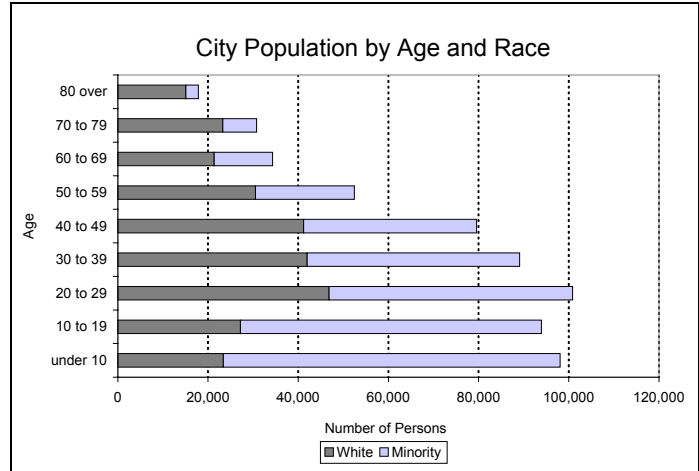


Figure 14

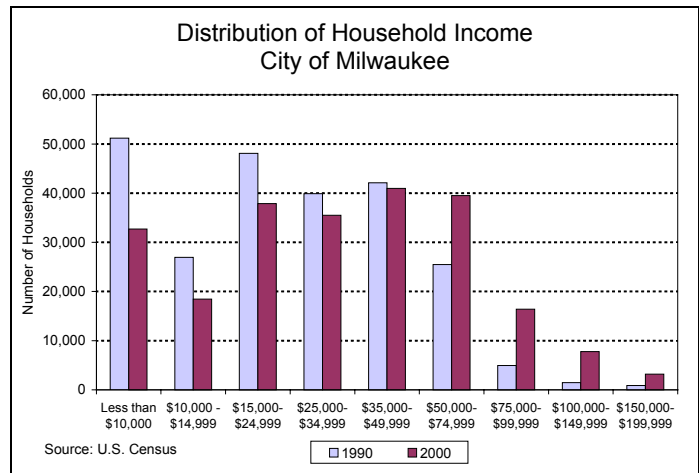
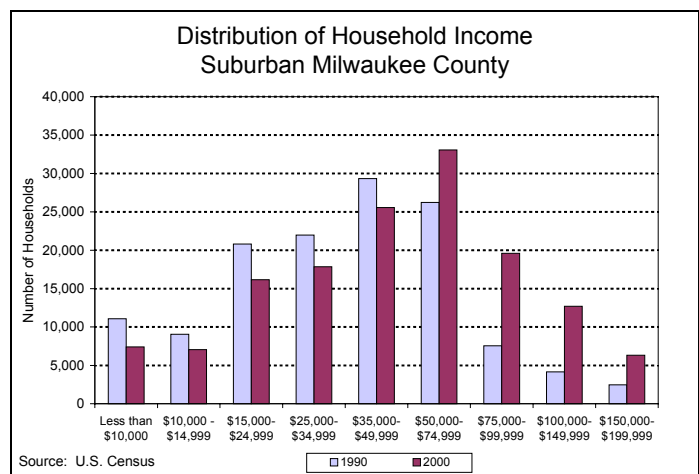


Figure 15



6. Metropolitan area poverty is concentrated in the City of Milwaukee with 88% of persons with incomes below the poverty level living in Milwaukee.
7. Between 1990 and 2002, 5,340 new residential housing units were constructed (see Figure 17). Since 1997, more than 3,660 new housing units have been completed, planned, or are currently under construction in the downtown area. The downtown population increased 21% since 1990.
8. Half of Milwaukee's housing units were constructed prior to 1946 and only 3.6% of the units have been built since 1980.
9. In 2000, the owner occupancy rate was 45.3%, a slight increase from 44.8% in 1990. Almost 80% of single family and duplex properties are owner occupied.
10. Milwaukee has successfully reversed a prior trend of declining property values. Assessed values for residential properties have not only steadily increased since 1990 but have grown faster than inflation in recent years.

Figure 16

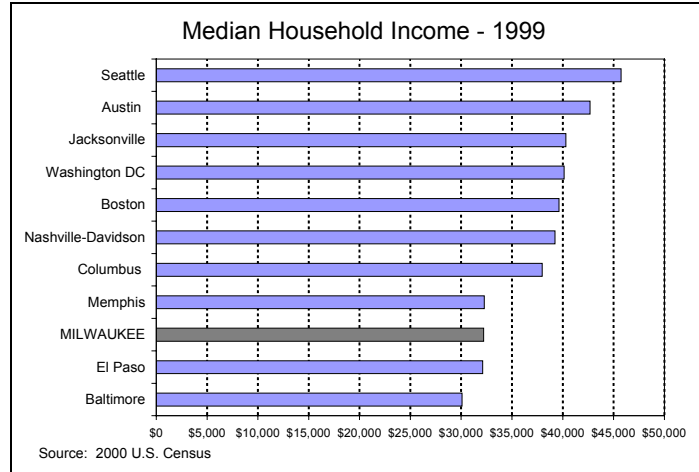
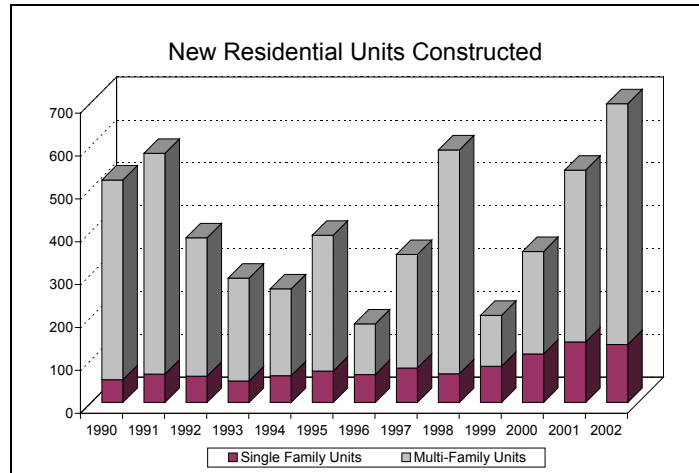


Figure 17



## **NEIGHBORHOODS AND HOUSING STRATEGIC GOAL**

### **Strengthen the Quality and Enhance the Value of Neighborhoods**

#### **STRATEGIC ISSUES**

Milwaukee is comprised of many varied and distinct neighborhoods. Each of these neighborhoods provides residents with a sense of community. The bond of community develops as neighbors sit and talk on their porches, shop in local stores, walk their children to nearby parks, and worship together in churches or synagogues. Strong and vital neighborhoods contribute to the overall success of Milwaukee.

The city has realized success in improving neighborhoods, as evidenced by the strong growth in residential property values, however many neigh-

borhoods continue to face challenges. These challenges are as unique as the character of each neighborhood.

Given the diversity of challenges, the city must adjust its services and programs to the type and severity of problems facing each individual neighborhood. It must also partner with private, non-profit and other governmental organizations that can assist with neighborhood improvement efforts. While not all neighborhoods need the same type or level of services, the city's service efforts will focus on improving the quality of all neighborhoods.

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#### **OBJECTIVES**

- Improve the appearance of neighborhoods
- Enhance the public perception of neighborhoods
- Empower neighborhoods to support and sustain improvements
- Increase the diversity of housing options
- Ensure well-maintained and high quality housing stock

##### **Strategy 1: Improve the Cleanliness of Neighborhoods**

The physical appearance of neighborhoods is critical to their strength. Residents have more pride in well-maintained neighborhoods. The city will provide a range of services to maintain clean neighborhoods and will also support efforts by the community to make neighborhoods cleaner.

Boarded-up, vacant, and unsightly properties negatively affect a neighborhood. These properties must be improved or replaced with new development in a rapid manner. City efforts will focus on resolving these problems quickly using both positive and negative incentives.

The city will also support efforts to improve neighborhood safety. Despite ongoing efforts, some residents live in unsafe conditions. The city will minimize unsafe conditions through inspections

and other services and will decrease the signs of disorder in neighborhoods. Physical signs of blight such as graffiti, trash, and abandoned vehicles will be removed in a timely manner. Negative behaviors, such as disorderly conduct and noise, will not be tolerated. Reducing disorder and threats to safety sends a message of confidence to neighbors and supports a greater sense of community.

##### **Strategy 2: Improve the Quality of Housing Stock**

Housing quality contributes to neighborhood pride. The average age of Milwaukee's housing stock is 57 years old. Ongoing maintenance and rehabilitation is necessary to prevent buildings from becoming a liability rather than an asset to neighborhoods. The city will work collaboratively with community groups and private market organizations to improve housing maintenance and rehabilitation.

Commercial properties also need to be adequately maintained. Vacant storefronts and insufficiently maintained buildings and lots promote neighborhood blight and impede neighborhood revitalization. To minimize these problems, the city will continue to support neighborhood commercial districts and other efforts that support neighborhood development.

Homeowners provide stability to neighborhoods. As property owners, they have a direct investment in the neighborhood and a stake in its success. The city will continue to encourage efforts to increase homeownership and owner occupancy of rental properties. The city will also support fair housing and lending practices to facilitate homeownership opportunities.

The quality and management of rental properties is a concern. Negative aspects of individual properties affect entire neighborhoods. To minimize these problems, the city will continue to train landlords to improve property management and enforce building and property maintenance codes, as well as transferring foreclosed properties to productive owners. The city will also continue to support the creation of landlord compacts to improve rental properties. These efforts bring more growth and stability to neighborhoods, generating positive perceptions, less risk, and more value.

**Strategy 3: Promote a Sense of Community among Neighborhood Residents and Foster Cooperation among City Neighborhoods**

Active and involved community organizations help residents and businesses invest in neighborhoods and establish a stake in neighborhood success. By supporting neighborhood groups and other community-based organizations, the city encourages involvement by residents in their neighborhood. The city will continue to enhance relationships with and between community groups.

To support community efforts, the city will target services to the highest priority neighborhoods. Since the city has limited resources for providing services to neighborhoods, these resources need to be targeted to where they will have maximum benefit. Services also need to be focused, in terms of location and timing, on the highest priority neighborhoods. This requires coordinating the efforts of city departments and agencies. Disjointed services have limited benefit. Coordination of efforts is essential to ensuring the maximum benefit to neighborhoods.

Criteria need to be developed to target service efforts in the most efficient and effective manner. Progress must be monitored over time to ensure that targeted efforts sustain long term improve-

ments in neighborhood quality. Once strengthened, the neighborhood should require a lower level of targeted services, enabling resources and services to be shifted to other neighborhoods.

**Strategy 4: Maximize Resources, Including State, Federal and Private Funds, that Contribute to Neighborhood Improvements**

To effectively improve the city's neighborhoods, resources of all entities must be leveraged. Each year, the city receives millions of dollars in state and federal grants. Grant funds are provided to both city departments and to community groups to support the common goal of strengthening neighborhoods. To maximize the impact of these grants, the city will coordinate these resources and service efforts.

The city must also work to expand private sector resources (i.e. businesses, mortgage lenders, and financial institutions) to create joint initiatives and programs in neighborhoods. Economic development efforts should be targeted to encourage increased private sector business growth. Successful business ventures and increased jobs build the economic capacity of neighborhoods. It also provides the private sector with a stake in neighborhood improvement.

**Strategy 5: Support and Encourage Diverse Housing Options**

The availability of diverse housing options strengthens the overall quality of Milwaukee's housing market. This makes Milwaukee a more attractive place to live.

Most housing in Milwaukee can be categorized as affordable based on assessed values and sale prices. While the private market tends to provide a range of housing options, the city has an important role to play in ensuring affordable houses are of high quality, and that these housing opportunities are effectively marketed.

The city will support diverse housing opportunities by judiciously using incentives for developers. This will be done so as not to adversely impact existing markets. The city will encourage private sector development of affordable housing, promote diversity in type and location of housing options, and coor-

dinate housing development efforts with surrounding communities and public and private housing vendors.

The city will also facilitate market-rate housing development. The need for market-rate housing is being met through the rapid development of condominiums and apartments in the downtown and surrounding areas. These newer units attract high-income families and individuals to Milwaukee and, in combination with existing high-end housing, address the growing demand for more upscale housing.

The city has an important role in encouraging this development, marketing Milwaukee, and ensuring that development supports broad improvements in neighborhood quality. The city's role is to facilitate the development process for developers and to act as a partner with the private sector.

#### **Strategy 6: Provide Public Housing that Strengthens and Enhances Neighborhoods**

The city must provide public housing and social service programs that improve the social and economic well being of residents and the physical environment of neighborhoods. This can only occur through helping residents obtain gainful employment and self-sufficiency. The focus of the city's programs must be to help residents become more self-sufficient, with improved incomes and job opportunities, and with increased ability to become homeowners.

The city needs to work with the private sector to encourage development of affordable housing, and with other social service providers to better serve low and moderate-income families and individuals. This requires encouraging development of mixed-income housing, promoting homeownership, and encouraging affordable rental housing.

While the private market generally works well in providing diverse housing opportunities, the city needs to ensure that various special needs populations are adequately served. The city must support the coordination of appropriate community service programs with housing programs for these populations.

The city will work with other community organizations to obtain additional funding and services for assisted living in public housing. It will also work with other agencies and organizations to support occupational training and other services to encourage gainful employment and self-sufficiency. Only sustained, collaborative efforts will support improvements in this area.

#### **Measuring Success**

- Growth in residential assessed value
- Rate of owner occupancy
- Value of residential improvements in target areas
- Residents perception of neighborhood quality

## ECONOMIC ACTIVITY SUMMARY AND FINDINGS

Milwaukee's economy remains stable as jobs and output continue to grow. The shift from a manufacturing to service-based economy poses transitional problems, particularly in the area of workforce development, but also offers promise for future growth. The central city has an untapped workforce that offers tremendous opportunity for the future if the skills of this workforce can become aligned with the needs of area employers. Success in this regard is critical in promoting economic development and reducing poverty and income inequality.

1. The local economy grew by more than \$3.7 billion or 18.7% from 1994 to 2001. Growth in the local economy continues to rise but generally has failed to keep pace with growth in the U.S. economy. From 1995 to 2003, the national economy grew at a rate faster than the local economy in each year.
2. The local economy continues to recover from the mild recession experienced in 2001. Forecasts project growth rates will be in the range of 2% to 3% (see Figure 18).
3. Between 1988 and 2000, the city experienced nominal growth in adjusted gross income greater than 40%, to \$29,056 per capita. Unfortunately, the city continues to have one of the lowest per capita adjusted gross incomes in the state.
4. From 1992 to 2001, the city experienced real growth in wages as shown in Figure 19. Service sector wages grew about 14% and manufacturing approximately 28% during the period. Manufacturing sector wages are overall 20% higher than the national manufacturing average, while service sector wages are now equal to the national average.
5. W-2 has had a positive impact on city residents during the 1990's. There were more households with wage and salary income in 1999 than in 1989 (184,285 vs. 179,612 an increase of 4,673 households or 2.6%). These increases

Figure 18

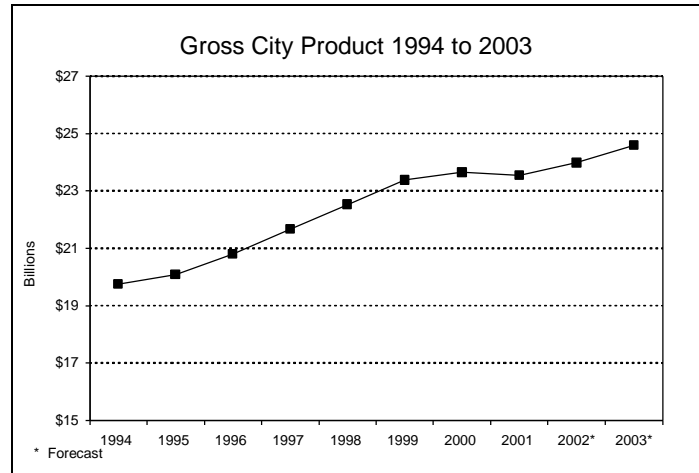
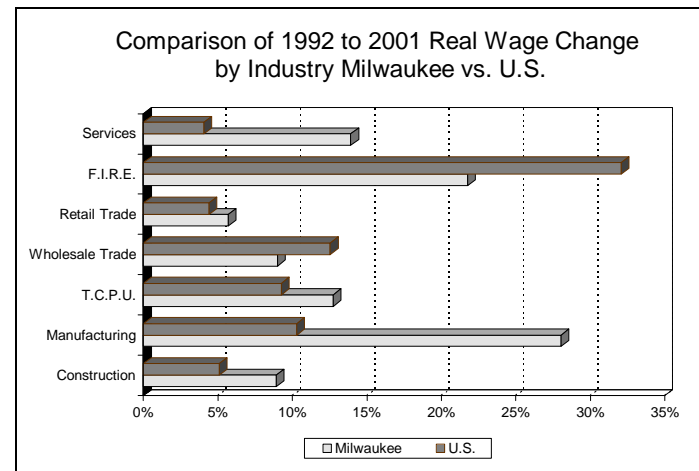


Figure 19



were apparent in the central part of the city where incomes continue to be very low.

6. The number of jobs increased in Milwaukee by 21,500 or 8% to a total of roughly 331,000 from 1994 to 2001 as indicated in Figure 20. However, city job growth failed to keep pace with the rate of increase in the state and metro area jobs. There is a continuing shift in employment from the manufacturing to the service sector.
7. During the last ten years Milwaukee's unemployment rate ranged from a low of 4.8% in

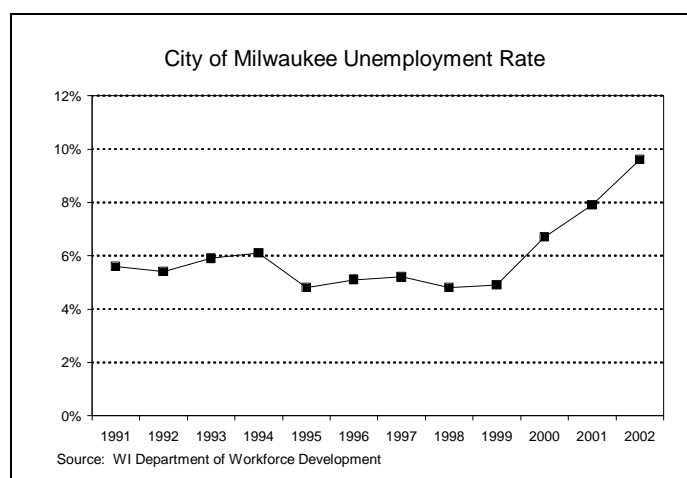
1995 to a high of 9.6% in 2002 as depicted in Figure 21. City residents had a higher unemployment rate than the metropolitan area or the state since 1992. Unemployment rates have increased for all three areas beginning in 2000. The city's rate increased faster than either the metropolitan or state rate.

8. A 2000 HUD report ranked Milwaukee 18th out of 114 cities in the percentage of the economy considered high-tech. In addition, a recent UWM study reported that Milwaukee added 10,000 new technology jobs over the last ten years.
9. Forty percent, or 98,744 city residents with jobs worked outside the city during 2000, many in suburban Milwaukee County. There were 54,723 city residents working in Milwaukee County suburbs and 44,021 outside of Milwaukee County compared with 151,145 in the city.
10. The City of Milwaukee continues to have the highest concentrations of workers available. The density of the Milwaukee workforce is 10 to 15 times higher than that of Waukesha, Ozaukee, and Washington Counties, where labor shortages are most acute. Unfortunately, job location mismatches face employers seeking semi-skilled and lesser skilled workers.

Figure 20



Figure 21





## ECONOMIC ACTIVITY STRATEGIC GOAL

### Promote an Economic Climate of Lasting Investment, Innovation, Job Creation, and Economic Opportunity

#### STRATEGIC ISSUES

The city plays an important role as a facilitator in creating the proper environment, urban design, and business climate within which the private sector grows. Market forces that are beyond the direct control of public officials are the most important determinants of economic growth and activity in Milwaukee. In other words, the city steps in where the private market fails. In doing so, the city aims to foster a strong business environment by providing timely service with minimal bureaucratic procedures, by ensuring a tax and regulatory policy that is stable and predictable, and the cost imposed is in line with the value received.

Milwaukee has a solid high-tech foundation and is steadily emerging as a regional leader in the technology based economy. The city actively promotes high tech development and has taken assertive steps to strengthen the technology sector. Efforts include marketing Milwaukee as a premier location for technology innovation and high tech expansion.

The city uses many tools to encourage developers to pursue development projects. Forms of assistance include marketing, zoning and most popularly, financial assistance. It is important that efforts are coordinated and that financial assistance is used judiciously.

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#### OBJECTIVES

- Increase job opportunities for residents
- Retain existing jobs
- Improve the skill and education level of the workforce
- Judiciously provide resources to stimulate development
- Stabilize and improve commercial areas

##### Strategy 1: Foster the Development and Growth of Business

With the changing structure of the economy from an industrial based to a service based, it has become difficult to attract manufacturing businesses. The manufacturing employment has become more specialized and highly trained but the city cannot focus only on industrial based firms. There has to be an emphasis on businesses in sectors of the economy other than manufacturing. While manufacturing cannot be ignored, balanced development across different sectors is crucial.

Emphasis has been placed on attracting business in the high technology area. The high technology business sector in the U.S. is growing four times faster than the overall economy and in recent

years, has generated approximately one-third of the aggregate growth in the country. Nationally, 65% of the difference in relative growth between 315 metro areas can be explained by the extent and rate of growth in high technology sectors.

While Milwaukee lags in overall high-tech rankings, it has strengths in certain “clusters” of this sector, including medical diagnostics and imaging, biotechnology, bioinformatics and information data management for financial services, media/design, logistics, and health care sectors. The city must build upon these strengths to maintain a competitive advantage while also attracting new business in other areas.

Success in the technology or knowledge based economy will require Milwaukee to develop resources and have people to turn ideas into businesses. Three factors are important to this process: a business climate that supports entrepreneurial activity; an infrastructure that provides the resources needed by entrepreneurs (including broadband and wireless technology); and the availability of a sufficiently trained and educated labor source.

**Strategy 2: Ensure an Effective Retention Strategy with Emphasis on Industry Clusters**

Jobs and businesses in key industry clusters need to be retained. This provides the basis for ongoing economic development. As described by the Alliance for Regional Prosperity:

“Industry clusters are groups of competing, collaborating and inter-dependent businesses that draw upon a common or complementary technology, talent and infrastructure base. Clusters offer the region with a critical mass and hard-to-duplicate competitive advantages. Successful clusters help to attract new investment, supply-chain members, pools of talent, and new ventures to the region. Thus, industry clusters can be the building blocks of a regional economy. Nurturing and strengthening industrial clusters are critical to regional economic growth and prosperity.”

The city must work collaboratively with the various regional cluster councils to recommend initiatives to strengthen the various clusters.

**Strategy 3: Ensure the Skills of the Workforce Meet the Needs of Employers**

A skilled and adaptive workforce is an important ingredient for a successful economic program. One of Milwaukee's greatest opportunities is its available workforce. It is also one of its greatest challenges. While the City of Milwaukee does not provide individual employee training, we recognize the crucial role that quality employees play in the general health and growth of Milwaukee companies.

Building partnerships and working collaboratively to ensure appropriate funding for training and education programs is essential. These programs build basic workforce skills and promote ongoing workforce development and lifelong learning. Training and education must be provided that develops skills in expanding business markets. In turn, the city's economic development plan should focus on attracting these expanding business markets that will be demanding trained or educated individuals. Training and education need to be coordinated with economic development to assure that this occurs.

**Strategy 4: Invest Strategically in Business Development, Redevelopment Projects, and Infrastructure**

The city must strategically manage its development program to ensure limited resources are maximized. This means focusing city investments in areas that yield productivity gains and increase the standard of living for city residents. It means clustering public and private investments to maximize underutilized resources and leverage new investment.

The city must continue to build upon its evaluation criteria and assess the impacts of capital spending projects. It can be based on four principal criteria: financial rate of return to the city's treasury; economic costs and benefits to the city as a whole; equity implications of prospective investments, including geographical equity; and urban design elements which enhance the value of the city. Each project should be evaluated and prioritized based on these criteria.

**Strategy 5: Pursue an Aggressive Policy to Return Foreclosed or Vacated Property to Productive Use**

Most properties in Milwaukee have been used before for a variety of purposes. Developers and investors, cautious of environmental liability, sometimes shy away from previously used sites and pass up opportunities in Milwaukee for ones in rural and suburban areas where land is perceived to be less expensive and free from unknown pollution. To be competitive in the business and employment marketplace, the city must stand ready to make land and buildings available by proactively addressing brownfields perceptions.

Former industrial buildings can represent low cost options for emerging and cost-conscious businesses. Older urban industrial sites have all the competitive advantages; access to multi-modal transportation and a workforce, affordable real estate in relation to suburban alternatives, convenience for suppliers and service providers, and infrastructure.

The city must assure that vacant property becomes productive. Collecting parcels of property by the

city must be done in a judicious manner. It provides little benefit to the city to collect properties and hold them for long periods of time. Currently, the city owns numerous land parcels that should be immediately returned to productive use. The city should make an effort to reduce the number of properties it is holding by 50% by the year 2005.

**Strategy 6: Ensure Milwaukee's Business Districts Flourish**

The current state of Milwaukee's commercial districts varies from severely challenged to flourishing. It is unacceptable to have several corridors characterized by vacant storefronts, insufficiently maintained buildings and lots, yet surrounded by neighborhoods with significant populations. The result can be the blighting of surrounding areas and a large group of residents that go underserved by commercial services.

It follows that the city should attract businesses not only for jobs, but also for the provision of the community's service needs as accommodated by retail and other businesses in our commercial districts. The fostering of business development in these areas and the focus on maintaining and enhancing these areas will increase the availability of goods and services, facilitate tax base growth, create jobs, promote visible investment in the community and enhance the quality of life.

**Measuring Success**

- Unemployment rate
- Acres of property held by city
- Growth in gross city product
- Growth in adjusted gross income
- Growth in the high technology sector

## LAND USE AND TRANSPORTATION SUMMARY AND FINDINGS

The city has a solid infrastructure that currently supports a mainly automobile based transportation system. Regional planners continue the promotion of this single mode of transportation by demanding the expansion of the freeway system.

The city has a comparatively dense population surrounded by a significant commercial and manufacturing land use base. Land use patterns and population density suggest that the city could reasonably support alternative transportation modes. This is reflected in a very successful bus transit system.

Amtrak, Mitchell International Airport, and the Port of Milwaukee connect people and goods to the nation. Current road systems allow transport of goods via the trucking industry. A balanced multi-modal transportation system must be encouraged in Milwaukee.

1. Milwaukee is a major urban center with a strong infrastructure consisting of a significant road system, a system of primary rivers that connect to Lake Michigan and an international airport.
2. Residential property accounts for 55% of the city land use. Commercial and manufacturing land use is 25% of the total.
3. Although the Milwaukee metropolitan area is the 34th largest in the nation, it ranks 19th in population density.
4. There is a lack of a well-balanced transportation system. Most travel to work is done driving alone in an automobile. This is seen when comparing the method of travel to work in Milwaukee to other similar cities as seen in Figure 22.
5. The regional planning commission has submitted a plan that would widen the entire freeway system at a cost of \$6.2 billion. The expansion project is anticipated to begin with the expansion of the Marquette Interchange in 2004 through 2008. This will increase the use of a single method of transportation with little

Figure 22

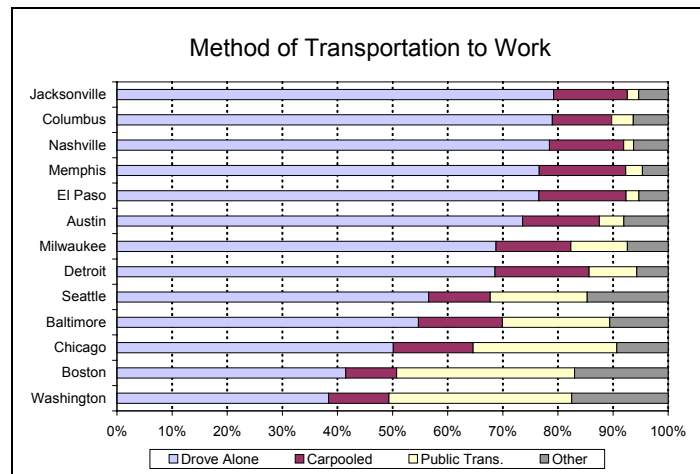


Figure 23

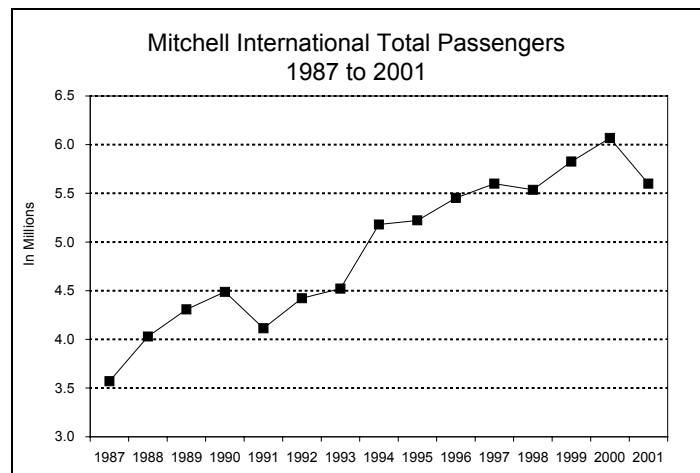
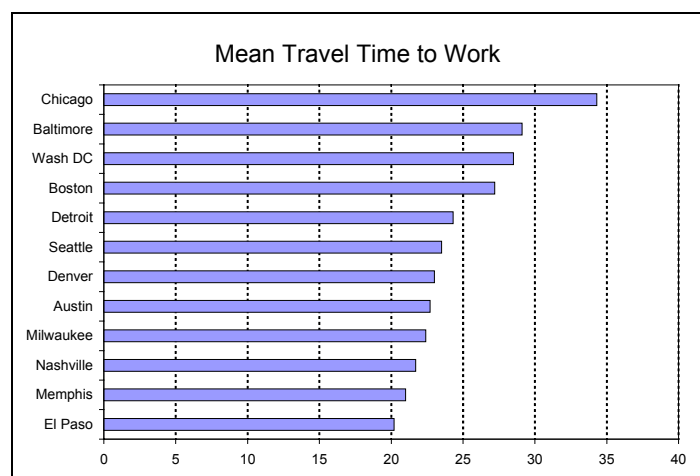


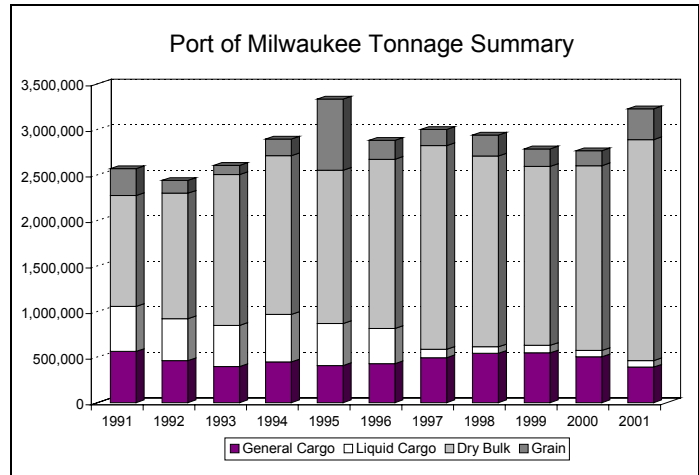
Figure 24



impact in travel time and congestion and it destroys over \$23.7 million in property value.

6. Although our bus transit system is one of the Nation's best alternative transportation method, efforts to expand alternative methods of transportation have been limited. There are 4.9 million riders per month on 72 bus routes.
7. Mitchell International Airport provides air service to the metropolitan area. Over 5.6 million passengers used the airport in 2001. Figure 23 shows the number of annual passengers since 1987.
8. Milwaukee receives train service to and from Chicago by Amtrak on a daily basis. However, local passenger rail does not exist.
9. Mean travel time to work for residents of Milwaukee County is 22.4 minutes. Of similar size cities, as shown in Figure 24, the city ranks near the lowest in travel to work time.
10. According to the U.S. Environmental Protection Agency, since 1990 city involvement has contributed to the successful redevelopment of 44

Figure 25



central city brownfields with the creation of 1,600 jobs and leveraging of more than \$199 million in private investments. Given the inability to expand the city's size, the city must rely on the redevelopment of "clean" and "dirty" land.

11. Annual tonnage at the Port of Milwaukee has steadily risen since the mid-1980's. Figure 25 shows the rise in tonnage since 1991.

## LAND USE AND TRANSPORTATION STRATEGIC GOAL

### Further Land Use Policies that Promote Diverse Transportation Options

#### STRATEGIC ISSUES

The proximity of people and activities in dense urban areas facilitates efficient use of land and investment in public infrastructure. Milwaukee must encourage development of housing, commerce, and transportation systems that embrace its urban heritage. Recognition should be given to its unique assets with an effort to build upon its strength as the core of a major metropolitan area.

Diversity is the city's strength. The rich mix of uses in Milwaukee's neighborhoods provides convenience, vitality, and individual identity. The transportation network must be organized around a multi-modal system that provides links between neighborhoods.

Combining good design with the city's rich architectural heritage will maintain its unique, attractive, "people-friendly" environment and further enhance Milwaukee's residents' quality of life.

Land use and transportation decisions are linked, and both foster the urban network that connects people to places they want to go. The city has worked together with developers, other levels of government, and the public at large to develop strategies for the future. Focusing on the specific needs of particular areas of the city is an approach that has generated numerous successes. The city will use the following strategies to build on the momentum of these successes.

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#### OBJECTIVES

- Increase availability of transportation options
- Promote mixed land use
- Capitalize on natural assets
- Encourage accessible and visitable building design
- Ensure safe and well-maintained infrastructure

##### **Strategy 1: Develop and Implement Balanced Transportation Policies**

Policies that promote automobile travel to the near exclusion of other forms of transportation have placed cities at a disadvantage. Many job opportunities in suburban areas are beyond the reach of transportation available to lower income city residents. Likewise, unacceptable affordable housing policies in suburban areas make it difficult for lower-income persons to live near these job opportunities. Federal and state highway-oriented policies have furthered this mismatch, as well as contributing to widespread destruction of the urban landscape and degradation of the environment.

An urban infrastructure must consist of a street grid system that does not bottleneck traffic by limiting access points. Suburban development is based on this bottleneck approach, leading them to develop extremely large arterial streets that are only

accessible by automobile. Single-use zoning also contributes to this problem, since commercial establishments are often only accessible by automobile. Also, through misinterpretation, this has led the outer ring of suburbs to believe that wide freeways are the answer.

Suburban transportation policies support wide and unnecessary freeways that only marginally improve commute times. Unnecessary freeway expansion negatively influences the regional economy and destroys neighborhoods in areas that do not benefit from the reduced travel times.

The city must work with policymakers from all levels of government to educate them on the damaging nature of their current transportation policies. The city must lobby for equal funding of alternative transit modes so a balanced transportation system can be established.

##### **Strategy 2: Coordinate Land Use Policies that are Appropriate to an Urban Environment**

The city has made great strides in land use and transportation planning. The city should continue the extension of its comprehensive planning efforts in neighborhoods and outlying commercial regions through its Comprehensive Plan Series. These plans should emphasize developments that encourage a mix of residential, commercial, and recrea-

tional uses while preserving and enhancing Milwaukee's architectural legacy.

Mixed-use developments can shorten trips and make a variety of transportation options such as walking and biking more viable. In turn, this reduces the impact of heavy automobile travel on our transportation systems and related maintenance costs.

While the city has a large amount of land available for redevelopment, one of its challenges is the number of former industrial sites contain varying types and levels of contamination. Although often attractively located, legal and liability issues make these sites less appealing to developers. These sites distract from neighborhoods by discouraging ownership both in homes and business. It also limits the amount of developable land. The city should continue to work to remove these impediments to development and facilitate remediation of contaminated sites.

### **Strategy 3: Maximize the Advantage of the City's Natural Assets**

Milwaukee enjoys several natural features such as Lake Michigan and the lakefront, the Milwaukee, Kinnickinnic, and Menomonee Rivers, and its vast system of parks. Many neighborhoods are centered around our extensive system of area parks. Land use planning should continue to use these features as a focus for development of appropriate mixed-use developments. Efforts should be made to improve access to these natural assets.

Well-designed streets are a critical component surrounding the natural assets. Streets must be designed with wide sidewalks, narrow streets, well-marked crosswalks, trees and planters, buildings near the sidewalk, building fronts and windows facing the streets, and properly sited parking. Additionally, bicycle and pedestrian access to area parks and waterways should provide for recreational and commuter purposes. These efforts will complement Milwaukee's natural assets rather than detract from them.

### **Strategy 4: Promote the City as a Regional Transportation Center**

Varying types of transport methods allows for a competitive transportation market that keeps ship-

ping or traveling costs to a minimum. With an international airport, a port, a nationally connected passenger and freight railroad system, and the major crossroads of the regional road transport system, the city can effectively transport goods and services throughout the world. This variety of transportation modes allows residents access to goods not produced here while business can ship goods produced here to other areas at a reasonable cost.

It is essential that the city promote itself as a regional transportation center. Efficient transportation access is a key element in the decision to locate a business or to buy a home. The city should make it a priority to advertise this strength when trying to attract businesses, residents, and travelers.

### **Strategy 5: Provide an Adequate and Well-Maintained Infrastructure**

Whether it is a street or a rail system, the city needs to provide an adequate infrastructure that allows for uses of all modes of transportation. Maintenance assures safe and comfortable travel. Keeping the streets clear of snow, debris, and obstruction prevents accidents and lengthened travel times.

The city must maintain the street system in a manner that provides a balance between vehicle and pedestrian transportation. Wide streets prohibit pedestrian traffic while allowing more vehicle traffic and encourage high speeds. Some engineers believe that wide streets reduce congestion thus improving commute times. Unfortunately, wider streets lead to higher traffic volume, which leads to congestion and ultimately full capacity and more congestion.

With adequate infrastructure in place, it is important to have a reasonable infrastructure maintenance program. The maintenance program needs to balance available resources with need. Streets need to be maintained in a manner that maximizes the city's return on its investment.

### **Measuring Performance**

- Reduce the number of vehicle miles
- Maintain the value of the infrastructure
- Value of new construction

## EDUCATION SUMMARY AND FINDINGS

In order for Milwaukee to remain competitive and for Milwaukee residents to participate in the regional economy, the level of employment skills and educational attainment must improve. The educational attainment of Milwaukee residents continues to trail local, state, and national levels. Milwaukee Public School graduation rates have improved but the number of MPS students performing well on standardized tests is significantly below state and local performance levels.

1. Milwaukee citizens age 25 years or older and who have attained a high school degree increased from 71.5% in 1990 to 74.8% in 2000. Milwaukee residents with college degrees or higher increased from 10.3% in 1990 to 18.3% in 2000. While improving, Milwaukee still lags behind the metro area and comparable cities in educational attainment (see Figure 26).
2. The number of MPS students graduating from high school is improving (see Figure 27), however, the district still ranks 48 out of 50 school districts for the rate of graduation, according to the Manhattan Institute Study on High School Graduation Rates in the United States (revised April 2002).
3. On the standardized Wisconsin Knowledge and Concepts Exam (WKCE) for 4<sup>th</sup>, 8<sup>th</sup>, and 10<sup>th</sup> grades MPS students perform well below their statewide counterparts with scores ranging from 45% to 50% lower than statewide scores. Similarly, for all exam subjects, 28.9% of MPS students who take the exam score a passing grade, compared to 65% of all Wisconsin public school students.
4. Milwaukee has been a national leader in school reform. For example, the Milwaukee Parental Choice Program (MPCP) has grown from 6,050 students enrolled in 86 private schools in school year 1998-1999 to 11,621 students enrolled in 102 private schools in school year 2002-2003.

Figure 26

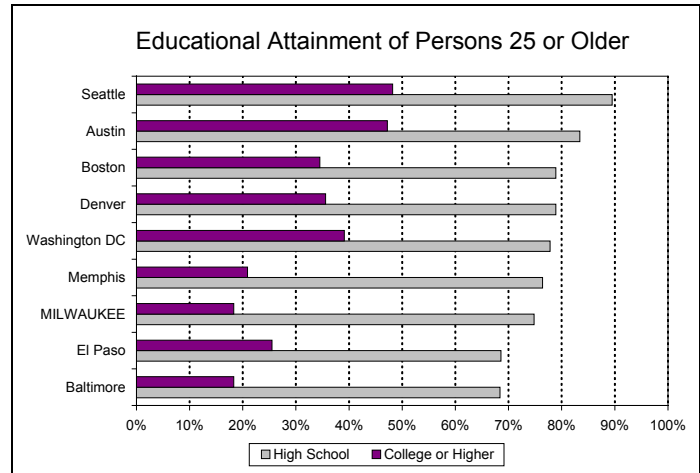


Figure 27

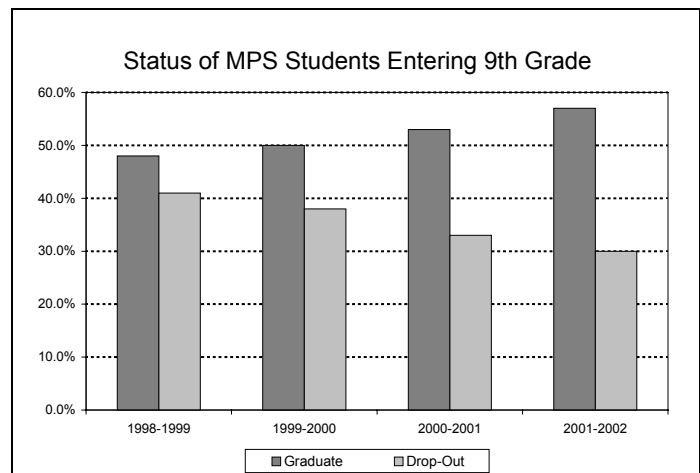
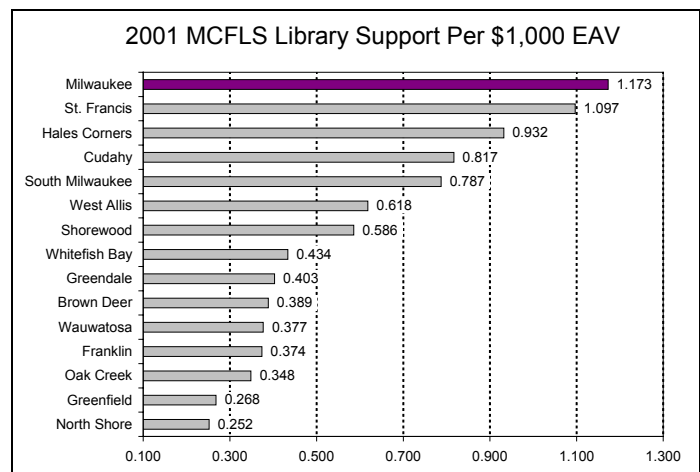
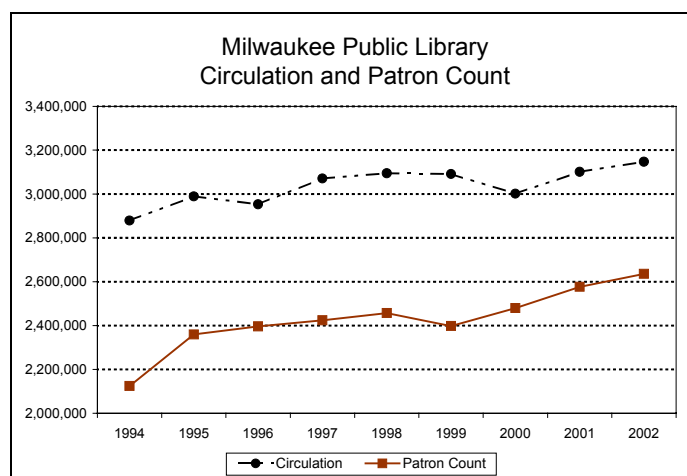


Figure 28





5. For the 2002-2003 school year, MPS, MATC, UWM, and the City of Milwaukee collectively chartered 30 schools enrolling over 18,000 students.
6. Milwaukee's funding support for the library is nearly double the county average of \$0.60 per \$1,000 of equalized assessed value (see Figure 28).
7. The number of library visits per capita is expected to increase to 4.4 in 2003, up from 3.8 in 1996. Circulation and the number of patron visits have been steadily increasing since 1994 (see Figure 29).
8. Residents' use of technological resources has increased visits to libraries. The number of hours of computer use has more than tripled since 1996 to nearly 600,000 in 2002. This

**Figure 29**

translates into more than 11,500 hours of computer use per week.

## EDUCATION STRATEGIC GOAL

### Foster Lifelong Learning that Enhances Human Capital

#### STRATEGIC ISSUES

Milwaukee's future success lies in our ability to educate our children and provide a skilled workforce for the local economy. Providing Milwaukee's residents with the education and skills needed to attain jobs in a competitive marketplace will ensure that Milwaukee's economy remains viable. Enhancing the education and skills of our workforce will ensure that the city is able to attract and retain businesses as the economy diversifies into service, financial, and technology industries.

Improving the vitality of our educational system is an undertaking lined with many challenges. Graduation rates and standardized test scores trail national and statewide averages. Habitual truancy and health related constraints to learning, such as teenage pregnancy, are on the rise. The educational attainment of our citizenry as a whole falls below average in relation to comparable cities. Exacerbating these issues is the reality of the current job market. Jobs increasingly require more than a high school diploma.

Overcoming these challenges is a daunting task. However, the city has begun to make strides in improving the educational attainment of its citizens and has witnessed a marked improvement in key areas. More students are graduating from public schools and increased percentages of residents have attained high school and college degrees. Additionally, Milwaukeeans have intensified their use of public library resources, demonstrated by increasing circulation, higher visits per capita, and dramatic increases in computer use over the past decade.

While these achievements are certainly encouraging, further progress is needed. The city must fortify its commitment to the education of its citizens by using the building blocks of successful efforts. The strategies included in this plan will build on the momentum of recent successes by continuing support for educational choices, maintaining financial relationships, and lobbying for intergovernmental support building on recent academic gains to approach national averages and encourage measurable success by Milwaukee schools.

#### OBJECTIVES

- Enhance early childhood development for school readiness
- Promote a safe and effective learning environment
- Empower parents by creating an educational marketplace
- Promote job readiness
- Support opportunities for continuing education

#### **Strategy 1: Foster Early Childhood Development and School Readiness Initiatives and Improved Student Health**

Every effort should be taken to ensure that children are emotionally and physically healthy prior to beginning their education. Educational success relies heavily on early childhood emotional support and

intellectual stimulation, nutrition, and prevention of poisoning, illness, and injury affecting development. Parents and caretakers should be provided with the skills necessary to be good parents and educated on high risk behaviors that impact their child's ability to learn.

The city should continue to pursue initiatives that impact the health of pre-school children, as well as targeting student health issues at all ages. High rates of child neglect and abuse, foster and kinship care, out-of-home child care (mandated at 12 weeks of age for infants of mothers on W2), premature birth, and lead poisoning place many of the city's children at an educational disadvantage. The city should work with Milwaukee schools to minimize health related disruptions in attendance by providing health education and directing them to health providers and access points.

### **Strategy 2: Strengthen Initiatives that Promote a Safe and Effective Learning Environment**

Over the years, public school systems have evolved into institutions where accountability for educational outcomes has become entangled in layers of bureaucracy, administrative turnover and political controversy. That loss of accountability has been accompanied by diminished success, low graduation rates, declining standardized test scores, and soaring truancy rates. For this reason, educational outcomes should be held to the highest standards of scrutiny by stakeholders in the school system, including city policymakers, Milwaukee communities, and parents.

This responsibility extends beyond the classroom and a traditional school day. Putting high quality teachers in every classroom that are prepared for the unique challenges of the urban classroom should be a focus of city efforts. Finding creative ways to decrease truancy and improve attendance rates through joint efforts between school staff, parents, community, and law enforcement officials should also continue. Additionally, parental involvement in the educational success of their children should be encouraged. The city must provide leadership in making these needs a reality for Milwaukee schools.

Finally, the city should work to coordinate policy efforts with the school district to ensure that our safety, housing, and health policy decisions enhance the learning opportunities for our students. This is particularly critical to ensure the success of efforts like the Neighborhood Schools Initiative, which have the potential to revitalize many of our communities.

### **Strategy 3: Encourage a Competitive Marketplace in Milwaukee's Educational System through the Support of Charter and School Choice Initiatives**

The traditional school system is now supplemented by a variety of charter schools and enhanced with school choice initiatives. These expanded options allow parents to choose a school that best meets the needs of their child. The city should make every effort to continue its support for these initiatives, whether through legislation, new school charters or other avenues.

Providing parental options for a child's education through charter schools and the school choice program encourages competition in the educational marketplace. As options increase, schools will compete for student enrollment. Ultimately, this competitive atmosphere will lead to improved educational settings in schools, as they improve their resources, curriculum and faculty training to attract more students. Better educational opportunities for low and moderate income families will increase the prospects of success for city youth, leading to increased prospects of success for the city as a whole.

### **Strategy 4: Promote Opportunities for Citizens to Improve Job Readiness and Increase Technological Literacy**

Many organizations and agencies serve all of Milwaukee's residents by providing educational opportunities to individuals seeking employment or working to improve their job skills. The city encourages citizens to avail themselves of assistance and promotes these opportunities. Long term economic self-sufficiency can be achieved through education that supports employment.

The public library system provides many resources for job seekers in print and on computers with free Internet access and other educational computer programs. Committing ourselves to reaching out to citizens through a variety of outlets is an essential tool the city can use to improve job readiness.

### **Strategy 5: Support Opportunities for Literacy and Lifelong Learning Provided by Milwaukee's Public Libraries and Many Other Educational Institutions**

Creating an environment that encourages citizens to continue their education, whether in a formal or informal setting, will improve their overall quality of life. In encouraging lifelong learning, the city strives to promote educational centers and make citizens aware of the valuable opportunities available to them. The city should encourage citizens to take advantage of the many prestigious colleges, universities and technical schools that offer excellent higher and specialized education in Milwaukee.

The library works closely with area schools to promote reading and education at all levels. Literacy is

promoted on an ongoing basis through its “Milwaukee Reads Programs”, which includes adult literacy tutor training and activities which promote reading such as the Community Literacy Hotline. The city should continue to take the lead on collaborative learning efforts such as the Greater Milwaukee Literacy Coalition.

**Strategy 6: Make Significant School Reform and Funding Initiatives a Priority in City Lobbying Efforts**

The fates of Milwaukee Public Schools and the City of Milwaukee are inseparable due to their shared residents and contiguous tax base; this fact alone demonstrates the importance of each others success to both entities. Milwaukee is committed to this intergovernmental relationship, in recognition of its impact on the viability of the school system.

While the city has no direct authority over school district policies, the city can utilize our political influence and lobbying efforts to improve the legisla-

tive and fiscal environment that the district operates in. The city can lobby to ensure a school funding system that considers both student and taxpayer equity.

Achieving the goals of this strategic plan require that MPS has the necessary resources to meet the new federal mandates of the No Child Left Behind Act and that city taxpayers are not disproportionately burdened in providing those resources. The city can also work with MPS to seek other legislative changes that lower MPS costs or increase revenues.

**Measuring Success**

- Standardized Wisconsin Knowledge and Concepts Exam (WKCE) scores for 4<sup>th</sup>, 8<sup>th</sup>, and 10<sup>th</sup> grades
- Rate of high school graduation
- Number of library visits per capita
- Hours of computer use annually at libraries